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Near East & South Asia

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Algeria

Larbi Kechat on his Detention at Folembray

94AF0277B Paris LE MONDE in French 3 Sep 94 p 3

[Interview with Larbi Kechat, rector of the Rue Tangier mosque, in Paris, by Henri Tincq; date not given]

[Text] Larbi Kechat, rector of the Al-Dawa mosque (Rue Tangier in Paris), has been put in forced residence in Paris's 19th arrondissement. In an interview with LE MONDE, he talks about his 22 days in detention in Folembray.

[Tincq] How did it come about that your forced residence in Folembray was terminated on 31 August?

[Kechat] We were holding prayers every morning at 0530. But on that particular Wednesday I was feeling sick and resting in my room, when all at once it was like Folembray had been struck by an earthquake, with noise and shouting all over. Some men did not want to leave, because their children were staying in France. I was served with an order of forced residence in the 19th arrondissement of Paris. Nothing else was said to me. Apart from the CRS [state mobile police] and the gendarmes, I did not see anything in the garrison. And when I asked what had happened, while we were being driven to Paris, I was simply told it was for my personal security. It was only on arriving at my mosque that I learned the group had been divided into those who were to be expelled and those who were put under forced residence in France.

[Tincq] Were you informed of the reasons for your arrest and assignment to Folembray with the Islamist militants?

[Kechat] I never received an explanation for my 22 days of detention. I did read an expulsion decree that said I was an influential member of a movement that advocates violence and spreads radical, anti-Western tenets but did not say what movement that was. All of my friends, Muslims and Christians, who came to see me at Folembray—Monsignor Gaillot and Roger Garaudy, and Father Christian Delorme, who wrote about me in his columns (LE MONDE, 20 August), and Dalil Boubakeur, rector of the Paris mosque—know very well there is no truth at all to the accusation.

[Tincq] Although no one gave you an explanation, do you at least have some ideas as to why this was done?

[Kechat] I cannot think of a single reason. What I do is purely cultural and religious. All my sermons are on tape cassettes, and their contents can be verified easily. It has been said that I was in Khartoum last year: But that was for an Islamo-Christian conference, organized by a Coptic priest at the initiative of a Sudanese NGO [nongovernmental organization]. French law considers defamation of character a crime. If someone can be arrested simply on the basis of a neighbor's accusations,

are we still really living in a state of law? For me, democracy is first of all a moral principle.

[Tincq] How do you feel about the authorities moving directly against religious notables?

[Kechat] I feel it as a sort of violation of sacred precincts and sacred persons, as a humiliation for the entire community. I have been a legal resident of France for 20 years. Being thus separated unjustly from those closest to me, having my rights trampled, has shattered all my beliefs in French values. Wasn't it General de Gaulle who said, in Algeria, that good Muslims make good citizens?

But as Islam says, in happy times we must show our gratitude, in unhappy times our patience. At Folembray, my detention was transformed into a spiritual retreat. I only went out of my room to go to prayers and eat with the others. The rest of the time, I meditated on the Koran and spiritual writings. What I learned from this experience is that the time for non-dialogue is over. The disappearance of the Communist bloc has left an enormous vacuum that can be filled only by fraternal, objective collaboration between the West and the Muslim world. Now some might say that the closer we come to abolishing the physical distance between these two worlds, the larger becomes the spiritual and moral gulf between them. Wasn't it Marguerite Yourcenar who said: "I am myself, but multitudes live within me"?

[Tincq] At bottom, how do you feel about the Islamist movement? Did you have a chance to talk with the militants who were with you in detention?

[Kechat] I am against bringing to France the political problems of Algeria or any other Arab country. Our goal, as Muslims in France, is to remain faithful to our principles, but within the legal framework of the country that has received us. True, there is a problem of the religious visibility of Islam in France. Islam is a vision of society. There is an enormous gap of understanding, there is enormous fear. Why can't we all work together to eradicate crime and violence?

Names of Islamists Held in Folembray Published

94AF0277A Paris LE MONDE in French 3 Sep 94 p 3

[Article: "The List of 26"]

[Text] The individuals expelled from France arrived in Ouagadougou (Burkina) late the afternoon of Wednesday 31 August in a Boeing 737 specially chartered by the Interior Ministry. Burkinabe authorities said they had "full freedom of movement."

According to one expellee, Mohamed Benkhalel, who telephoned to France the morning of 1 September, several in the group were "seriously abused" during the transfer from Folembray garrison.

The List

As is evident from the 31 August bulletin of the Counterterrorist Coordination Unit (UCLAT), the 20 people on the Interior Ministry's list for expulsion to Burkina have very diverse backgrounds. Two Algerian Islamists living in France stand out from the rest:

- Ahmed Simozrag, who served as attorney for FIS [Islamic Salvation Front] leader Abassi Madani before establishing the Abaad Islamic Center in Saint-Ouen;
- Djaffar El Houari, a FIS deputy in Algeria before becoming a mathematics student and a spokesman for the Algerian Fraternity in France (FAF), which has close ties to the FIS.

Other expellees are suspected of being committed to greater or lesser extent to the service of the Algerian Islamist movement:

- Djamel Ressaïf, a small-scale entrepreneur, who was sentenced to death in absentia in Algeria after the 1992 attack on the Algiers airport and later, in France, was put under "forced residence;"
- His wife, Fathia Ressaïf;
- Hamid Ali Ammar, a geology student in Orleans who came to France after participating in the 1988 uprising in Algeria. He had already been in forced residence in Cantal, in November 1993, after police discovered coded names and Islamist documents in his domicile;
- Abdelrachid Tounsi, founder and treasurer of an Aubervilliers Islamist association.

With the exception of Mrs. Ressaïf, those first expellees had already been in forced residence since Operation Chrysanthemum, a November 1993 police sweep targeting figures in the Islamist movement. Mohamed Aissaoui, also expelled to Burkina, was part of that initial wave of forced residence assignments.

The list also includes Moustapha Boukrid, owner of an Islamist bookstore in Paris's 11th arrondissement (Rue Jean-Pierre-Timbaud), and Abdelkader Mechour, who runs a small shop on the same street. Another on the list is Omar Saker, who early this year was made imam in Annonay (Ardeche) in the absence of anyone else to fill the position.

Two other expellees are among the group described by Djaffar El Houari as "nonmilitants": Mohamed Benkhaled, a physics student in Marseille, and Sofiane Naami of Sartrouville, who were arrested together on 11 July in a stolen truck bearing false license plates. Completing the list of those expelled to Burkina are Rachid Dilmi, Abderrahmane Madani, Mohamed Doumi, Khaled Sedjerari, Mohammadi Chellah, Abdelrahmane Bahri, Boualem Chibani, and Mourad Chergui.

Six of the Folembay "suspects" succeeded in avoiding the 31 August expulsion but were put under forced residence. Abdeslam Ouili, a student in Lyon and imam

in the La Duchere quarter of that city, was given forced residence in Indre; Mohammed Flifla, a physics student whom Djaffar El Houari said was a "nonmilitant," must reside in Haute-Vienne; Larbi Kechat, imam for the mosque on Rue Tangier in Paris, must stay in the capital; Said Magri, who quit eating in mid-August and was hospitalized, has been put under forced residence in Nord; Rahmani Sara and Azzedine Sefouane, finally, are assigned to Gers and Vienne, respectively.

Release From Folembay: Category of Detainees

94AF0277C Paris LE MONDE in French 3 Sep 94 p 3

[Article by Herve Gattegno and Erich Inciyan: "Expulsion of 19 Algerians and 1 Moroccan to Burkina"]

[Text] "A symbolic response, targeting certain individuals who have attracted attention": Thus did one police official describe, on Wednesday 31 August, the Interior Ministry's expulsion several hours earlier of 19 Algerians and one Moroccan deported to Burkina. The expellees were "individuals who provide support to an organization that engages in terrorism," Charles Pasqua told Europe 1 on 1 September, but the biographic profiles do not really show them to be dangerous Islamist activists.

The wave of arrests that hit Islamist circles following the 3 August attacks in Algiers in which five Frenchmen were killed, as well as the subsequent removal of the 26 "suspects" to Folembay garrison in Aisne, were primarily for political ends: to send a warning to the Islamic Salvation Front (FIS) and its various armed branches. Now, with most of them having been deported, the process seems to have reached its culmination. "They knew very well they were going to be expelled," Interior Ministry sources say. "No one was really surprised."

Nevertheless, "Operation Folembay," which was mounted by the Counterterrorist Coordination Unit (UCLAT), was executed in the greatest secrecy. Even agencies participating in the operation, from the RG [investigative branch of police security] to the Directorate of Territorial Surveillance (DST) and the Directorate of Immigration Control and Suppression of Illegal Employment (DICILEC)—formal creation of which was announced by Charles Pasqua, although its official charter has not yet been published in the Official Journal—were apparently kept in the dark until the last moment. The actual decision was made by Mr Pasqua "early in the week," sources at Place Beauvau told us on 31 August.

The expellees themselves were not informed they would be departing until 0600 on Wednesday, when police came to pick them up at Folembay. An hour later, they had left the decommissioned garrison. News of the expulsion was made public in a ministry communique that press agencies picked up by midmorning. Although loved ones were upset because they were not told the country of destination, the expellees were not allowed to tell their lawyers or their families.

"The law does not require it," say sources in the office of the interior minister. Some police sources pointed to "security reasons," confiding that it was essential to prevent any "external interference that could hinder the operation" either in France or in Burkina.

According to officials in Folembay, the "residents" were apparently transferred without incident Wednesday morning to the Reims air force base, where a Europe Airlines Boeing 737 specially chartered by the Interior Ministry was waiting. Only two of the alleged Islamists at Folembay caused trouble, and they confined themselves to verbal protest. But as of Thursday morning, 1 September, there was still some uncertainty regarding how many expellees actually ended up in Ouagadougou. Whereas the Ministry of Interior lists the names of 20 persons (19 men and one woman) as both departing and arriving, Burkina's Ministry of External Relations announced the arrival of only 19. The aircraft did make a 50-minute stopover in Las Palmas (Canary Islands), but local authorities there say no one disembarked. Then it landed in Burkina, the receiving country selected after several had been contacted by the Interior Ministry. Ouagadougou gave "guarantees," according to sources in Mr Pasqua's office, that the alleged "Islamists" would not be sent back to Algeria. They will have full freedom of movement in Burkina, the sources added.

The specific allegations against the alleged "Islamists" have never been made public. While police sources say the expellees all played "an active role" in the Islamist movement, it is obvious why administrative rather than criminal procedures were invoked: Police dossiers did not contain enough evidence to win a criminal case, though they contained enough to warrant "preventive intervention."

Interior "Relieved"

The files on each expellee were studied by jurists in a special bureau of the Interior Ministry—the directorate of civil liberties and juridical affairs (DLPJ)—which examined both administrative criteria (possession of residence permits) and police evidence (acts committed and statements made by the suspects). The expellees were divided into two categories: The majority were deemed "ideological" offenders, it was explained, while a small minority were suspected of providing "logistical support" to FIS networks in France.

Among the larger group, those who had failed to exercise "due restraint," was the imam Omar Saker. Not only were the sermons, monitored by the RG, which he had preached at the Annonay mosque too openly supportive of the FIS's struggle, but tracts calling for armed struggle were allegedly found in his car. The sermons of the imam Larbi Kechat, delivered at a prayer hall in Paris's 19th arrondissement, were deemed more moderate...so he was only assigned to forced residence in Paris, where he can continue to officiate. The Interior Ministry will have the difficult task of explaining to the Council of State

how it is that some sermons constitute a threat to French interests while others do not.

The task could be even more awkward when it comes to providing convincing evidence of the "logistical support" some expellees allegedly gave to the FIS. It is likely to be especially difficult in the case of Messrs. Mechour and Boukrid, the store owners on Paris's Rue Jean-Pierre-Timbaud whose boutiques were supposedly gathering places for activists coming from Algeria. How can tangible proof be provided to substantiate these "contacts," "messages delivered," and "cars and premises loaned"?

Attorneys for the Folembay expellees immediately and unanimously protested what they call the "interior minister's heavy-handed fiat."

As of Wednesday evening, there was a certain sense of relief, in the Interior Ministry, at having done with the "residents" of Folembay, since the case, having been closely followed by the press, could have become an embarrassment. It seems the dissidents were even gaining parliamentary sympathizers on the majority side of the aisle. Opining that "we cannot keep people interned at Folembay for months or years on end," the spokesperson for the Republican Party, Ladislav Poniatowski, said on 24 August he hoped "the case would be turned over to Justice." Finally, for purposes of a "symbolic response" to various activist and even terrorist schemes directed against French interests, the interior minister thought the expulsion needed to take place as rapidly as possible, so its impact would not be diluted.

Grounds for Holding Folembay Detainees Discussed

94AF0277D Paris LE MONDE in French 3 Sep 94 p 3

[Article by Anne Chemin: "Vague Grounds for Expulsions"]

[Text] The individuals who were expelled on Wednesday 31 August were not all in the same juridical situation. Four were already in irregular status at the time they were assigned to forced residence in Folembay: Warrants ordering the deportation of Djamel and Fathia Ressaï, Mohamed Aissaoui, and Tounsi Abdelrachid had been outstanding since 1993. Except for Djamel Ressaï, who was served a notice of emergency expulsion the previous evening, they were deported pursuant to the warrants outstanding. The 16 other expellees, those legally in France, were expelled "on an urgent basis" to protect "state security and public safety."

The forced departures took place on the eve of a hearing in chambers scheduled for Thursday 1 September before the court in Laon. "The Interior Ministry knowingly deprived the assignees of their day in court," claims Jean-Daniel Dechezelles, who along with Nathalie Creuzillet is defending 19 of the individuals put in forced residence. "They will be unable to make a physical appearance in court. They are being wittingly

deprived of a right guaranteed by the European Convention on Human Rights. The Interior Ministry, which did not inform us in advance of these expulsions, is deliberately thwarting the law and justice."

The interior minister and the prefect of Aisne had been summoned to appear in chambers before the president of the Laon tribunal on 1 and 8 September. The lawyers, contending their clients had been interned in Folembay illegally, maintained that assignment to residence in a decommissioned garrison, where they were permitted little or no contact with the outside world, was an "act of personal violation." "Assignment to residence is akin to detention pure and simple, and the court cannot fail to note that it is a real infringement of personal freedom of movement," says Salah Djemai in his summons. "If an administrative authority is given discretionary power to take steps restricting personal liberty, it is only on condition that this power be expressly conferred by the law and be exercised under the oversight of a judge."

A second judicial proceeding was also under way: Creuzillet and Dechezelles filed an appeal with the administrative judge in Amiens, asking him to stay execution and annul the expulsion decrees. That hearing was set for 15 September. "The Interior Ministry must explain the reason for the expulsion decrees," Ms Creuzillet emphasizes. "The grounds asserted are all very vague. We are given to understand these are major terrorists, but the specific offenses with which they are charged are very vague, the organizations to which they are supposed to belong are not named, and the countries with which they are supposed to be working are not mentioned, in many cases," she said.

For example, one expellee is accused, without further specifics, of being "an active member of a movement that preaches recourse to violence and terrorism under cover of a commercial enterprise," and another is supposedly "responsible for coordination of arrangements to smuggle various things into Algeria," while a third allegedly "has provided substantial logistical and financial support to radical elements of a movement that preaches recourse to violence and terrorism." "These allegations are serious," concludes Ms Creuzillet. "If proof really existed, their authors should be brought before the bar of justice. Why not do it?"

This ambiguity is illustrated by the case of the Sedjerari brothers. Placed under close watch, Mohamed and Khaled Sedjerari were the subjects of two different proceedings: Mohamed went before Judge Jean-Louis Bruguier and was sent to Sante prison, while Khaled was given forced residence at Folembay, then expelled. Khaled's expulsion order indicates however that he is an "active member of a movement that preaches recourse to violence and incites commission of terrorist acts" as well as "the top aide to his brother, a go-between for the organization in the region, an active propagandist of the tenets of the Armed Islamic Group," and that he "plays an essential logistical role in diffusion of the group's

journals and propaganda in the region." "If the allegations are true, why not go for criminal prosecution?" asks his attorney, Patrick Delbar.

Public Order

By way of reply, the Interior Ministry says the case falls under the heading of preserving public order, not judicial action. "We are carrying out administrative police actions for the sake of prevention," say sources at Place Beauvau. "We believe that these persons, whether or not they can be charged criminally, constitute a threat to public order solely by virtue of their presence and their activities. Our job is to preserve security." On appeal, however, the Interior Ministry will have to furnish the administrative judge the evidence to support its accusations. At that time, it will have to be more precise.

Egypt

Debate With IMF on Currency, Imports Studied

National Policy Goals Explained

94LD0082A Cairo AL-AHRAM in Arabic 12 Aug 94 pp 1, 3

[Article by Ibrahim Nafi]

[Text] In order to understand the true state of affairs in Egypt's relationship with the IMF and the International Bank for Reconstruction and Development [World Bank], we must completely reject the idea or obsessive notion that these international organizations dictate their conditions to us, and that we must fulfill them completely, unconditionally, and without discussion. Egypt itself determines its own economic, financial, and monetary plans to be implemented in a given period. It then sends them to the IMF in the form of a "letter of intent," in which it commits itself financially and monetarily to the reform process. Or, it sends them to the World Bank in the form of a "development projects implementation plan letter." We submit these letters based on our view of our progress in reform, which in turn is based on our capabilities, capacities, circumstances, and our people's ability to endure the side effects of reform processes.

These economic and financial plans are then discussed with IMF and World Bank experts in a composed, academic atmosphere—in which opinions may differ or concur, and the discussion may become heated or cool down—until the final touches are put on an agreement based on the arguments and proofs which the parties submit to each other.

Before we treat the details of the negotiations occurring between Egypt and these international organizations, we should go back a bit to a long-standing Egyptian problem, namely our infrastructure. We have remedied this problem without the slightest favoritism and with the utmost wisdom and vision. The IMF, the World

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Bank, and many countries have recognized this. At the outset, before we entered negotiations with the IMF or the World Bank, we chose to give priority to building our country's infrastructure in terms of roads, electricity, communications, sewers, health, and education. In less than nine years, we spent close to 96 billion Egyptian pounds in these areas. During the same period, we spent about 26 billion pounds to modernize all of our production plants, which had not been upgraded or renovated in more than 30 or 40 years. All of this was done based on the premise that the success of any reform plan must start at the beginning of the road. It should not start at the end of the road, as was the case in some Eastern countries who are now suffering severely because they chose the path of financial reform without first paying heed to the need to improve their infrastructures.

After addressing our infrastructure problem, we moved on to financial discipline and monetary liberalization, starting with the need to reduce the general state budget deficit and inflation, followed by the freeing of interest and exchange rates—matters which lie in the purview of IMF experts. We also focused on privatization, trade liberalization, and the removal of price constraints on energy and many other commodities—matters which lie within the World Bank's purview.

The World Bank has seen that we are proceeding with our plan precisely and successfully, as it indicated in a letter it sent to Deputy Prime Minister Kamal al-Janhuri, when he headed an Egyptian delegation that visited Washington recently. The letter stated clearly that "the Egyptian program's components of concern to the bank have been implemented satisfactorily."

According to our plan, production was supposed to have surged quantitatively and qualitatively last year, and exports were supposed to have consequently grown, as all obstacles facing them were removed. As President Hosni Mubarak said, "All obstacles that exports encounter between their production sites and their arrival at shipping ports must be eliminated." However, this plan met with several problems stemming from terrorist acts, attacks against tourism, and other obstacles, the most important being the economic recession in the world and the region.

Given our large \$7-billion trade deficit, it was therefore natural that we clarify our export development policy in our negotiations with IMF experts regarding our conceptions of our financial and economic future. Our experts' conception is as follows:

- There is no difference of opinion regarding the need for a society's income to increase faster than its population growth rate in order to achieve high development rates.
- To achieve a rise in income, existing enterprises must operate more efficiently, and new enterprises must be based on the highest level of technology now available in the world.

- To attract major investments in new enterprises, we must first control inflation to stop the ongoing price increases. These increases boost production costs, jeopardizing the competitiveness of new enterprises. Improvement can come only through competition and a reduction of customs duties on production inputs and equipment to alleviate the burdens on producers.
- Developing countries' domestic markets are naturally limited by the large segment of poor people in their populations. These countries must therefore find a way to break into large international markets. The success of exports depends on export profits exceeding export costs.
- Legislation regulating investments must be stable. Bureaucratic constraints impeding investment must be lifted to reassure foreign and domestic capital and to attract as much of this capital as possible at a reasonable cost.

The preceding makes it clear that Egypt has been most responsible and effective in implementing policies to control inflation, free interest rates, maintain interest rates above the inflation rate, reduce burdens on producers, grant incentives to investors, and lift restrictions on investors. All of these policies have facilitated the success of the economic reform processes begun in 1991 and the conclusion of the 1993 agreement.

We reiterate that all of these policies were discussed in an objective, composed, positive dialogue. Economic experts and specialists may indeed differ or agree, or choose implementation tools which differ from those which others would choose. Our view, as we have stated, is that an increase in exports must be based on a larger market, namely the world market. The means for entering this market is to offer the highest quality at the lowest price, at the appropriate time, and with the appropriate marketing expertise.

The main disagreement between specialists concerns whether it is more important to implement export-stimulation policies successively or to offer incentives for exportation and to exporters.

Some international specialists emphasized that the central bank can provide a positive incentive to exporters by purchasing dollars earned by exporters at a rate higher than the rate in effect in the markets to induce exporters to increase their exports and the proceeds of exports.

This idea was rejected most decisively. The objections to an exchange-rate based incentive include the following:

1. A rate incentive would encourage inefficiency and a lack of industriousness, because the incentive could be given directly to someone who has not expended any effort.
2. The incentive would lose its effectiveness after several days, because any increase in the exchange rate would entail an immediate increase in cost.

3. The setting of a new, arbitrary rate would surprise the markets, causing both producers and investors to lose confidence.
4. Egypt lacked a free currency market from 1944 to 1991. The establishment of such a market in 1991 is a major gain for Egypt and a sign of stability. It must not be sacrificed through the imposition of an arbitrary rate.
5. The flow of free currency to Egypt might decline due to expectations of new, successive acts of intervention.
6. Raising the rate would have immediate inflationary effects on all of society, spoiling our current success in bringing inflation under control. If we raise the rate, we will contradict ourselves and empty our policy of meaning.
7. Egypt realizes the importance of exports. Moreover, it is definitely moving most vigorously to increase exports after the end of the world recession cycle and the implementation of the measures which it is taking to lift all restrictions on exports and to increase growth rates in 1994.

Definitive indications of this include: an 8-percent increase in industrial electricity consumption, which indicates an increase in economic activity; an 18-percent increase in the volume of goods transported to and from Egyptian ports; and an 18-percent increase in industrial exports, excluding oil, within one quarter.

Any group of experts or specialists presented with these objective facts must inevitably support, endorse, and fully approve Egyptian viewpoints.

Again, I maintain unequivocally and confidently that the IMF is not pressuring us. There is no chance of yielding to any pressure exerted by any party, because our economy has become stronger than at any time in the past. Whoever wishes to speculate regarding the exchange rate of the Egyptian pound shall bear losses for a very long time to come, because doing so is inconceivable for both the IMF and for us.

Pressure From IMF Analyzed

94LD0082B London AL-SHARQ AL-AWSAT in Arabic
31 Jul 94 p 6

[Article by Ahmad Abu-al-Fath]

[Text] The Egyptian Government is resisting the recommendations by the IMF and the World Bank that the Egyptian pound be devalued by a reported 25 percent relative to the dollar. I hope that [the Egyptian Government] will be able to convince the World Bank and the IMF that such a devaluation should not occur.

Egypt imports much more than it exports. It imports staples such as flour, sugar, tea, coffee, edible oils, and meat. If the Egyptian Government allows a devaluation of the pound against the dollar, it will be forced to pay more for its imports than it is now paying. This will

affect Egyptian consumers, who will have to pay more for their purchases of items imported by the government.

Egyptians now suffer from high prices. If the government allows a devaluation of the pound in response to IMF and World Bank requests, prices will increase, which will strongly affect most Egyptians.

As is well known, the IMF and World Bank recommend the elimination of government price subsidies, even for the people's most important needs. The government will therefore not be able to subsidize the prices of basic commodities as part of its attempt to reduce burdens on consumers.

The recommendation made by the IMF and World Bank to devalue the pound may have been intended to reduce the price of Egyptian exports. However, Egypt is not yet in a position where its exportable output can suffice to improve its trade balance, because the country's shift from a closed economy based on state ownership of factors of production to a free economy based on private ownership is not yet complete. If the pound is devalued, Egypt's large trade deficit will worsen, because its imports will become more expensive and its exports will become cheaper.

Given the paucity of output due to Egypt's shift from the communist system that had been applied to its economy to a free market system, there is no surplus output whose sale would require a currency devaluation.

High-output countries—e.g., the United States—devalue the dollar against the currencies of rich industrial countries to enable foreign markets to absorb their relatively inexpensive output. This does not apply in Egypt's case.

There are some causes for hope that the Egyptian Government will succeed in convincing international organizations to desist from recommending a devaluation of the Egyptian pound. The most important is that a devaluation would compel the government to offset the state budget deficit by imposing more taxes. Such a move would subject Egyptians to new taxes on top of price increases.

A devaluation of the pound would increase the costs of the plants and spare parts imported by companies and the prices of the raw materials they process. Such an increase would in turn affect Egyptians, because the costs of machinery, spare parts, and raw materials would require producers to raise the prices of the commodities they produce.

The recommendations of the IMF and the World Bank were obviously the cause of the government's elimination of price subsidies for many staples, which resulted in higher prices paid by consumers for these staples. The recommendations were also among the reasons for the imposition of new types of taxes, chief among which is the sales tax. These recommendations have thus caused hardships among the people.

A similar situation exists regarding the areas of Palestinian limited self-rule. According to an article in the 20 July issue of the *WALL STREET JOURNAL* by its economic editor, Lindley Clark, "The IMF and the World Bank are urging Chairman Yasir 'Arafat to impose taxes on the Palestinian people in the areas of the limited self-rule. This urging—especially by the World Bank, which is not providing financial aid to 'Arafat to help with official expenditures—is a major embarrassment that poses incalculable risks, because the Palestinians in Gaza and Jericho are looking to the national government to alleviate their financial burdens, and the imposition of taxes will certainly not alleviate these burdens or make the people happy.

The limited self-rule must make every effort to encourage Palestinian citizens, Arabs, and foreigners to establish investment projects in Gaza and Jericho. This is the best way to create jobs for the unemployed and generate output for local consumption and export in order to base state resources on sound foundations. The initiative to place such great value on taxing the people is certain not to encourage investment.

Newspapers and periodicals specializing in economic, financial, and political and economic affairs have published many articles in recent weeks on the IMF and World Bank in connection with the 50th anniversary of the Bretton Woods agreement.

The IMF and World Bank were created as a result of the Bretton Woods agreement. That agreement was the outcome of studies done by a group of the world's most eminent economists with a view toward establishing a currency exchange-rate regulation system between countries. Drafted in the city of Bretton Woods in northern New Hampshire, the agreement provided for the regulation of exchange rates between countries and for the establishment of the IMF and the World Bank to supervise the maintenance of exchange rates in world financial markets and in financial relations between countries. The mission of the IMF and the World Bank was to provide loans to countries whose currencies had weakened. The idea was to rebalance weakened currencies with other currencies by constraining exchange-rate fluctuations within a margin of plus or minus 1 percent relative to other currencies [i.e., relative to a par value expressed in U.S. dollar terms until 1971].

This system continued after World War II for some years. However, Washington decided to remove the dollar from these rigid rules concerning currency values and voided its obligation to sell gold at a fixed rate (\$35/ounce). The dollar began to drop gradually relative to other currencies, shaking the foundations of the Bretton Woods system.

One of the goals for establishing the IMF and the World Bank under the Bretton Woods agreement was to encourage countries to adopt a free-market system by providing aid and loans. In his article in the *WALL STREET JOURNAL*, Lindley Clark states:

"The goal of the Bretton Woods agreement was to help lagging countries move beyond economic backwardness. The IMF and the World Bank were supposed to make efforts to extricate poor countries—i.e., Third World countries—from poverty. However, they were unable to achieve any notable success in this regard, because the loans that the IMF provided to governments were not spent entirely to promote private companies and establish productive projects. Forty-seven countries—about one-third of all countries in the world—receive loans from the IMF and World Bank for periods ranging from 10 to 19 years.

"The IMF and the World Bank were supposed to provide funding to encourage the establishment of private enterprises. However, instead of providing money to companies and individuals, they provided it to governments. Among the countries to which they gave money are countries that have adopted a socialist or even communist system; if these countries used the money, they used it in state-owned companies. Studies indicate that the income level of individuals in some African countries that received major assistance dropped compared to 1970."

In other words, the huge sums provided by the IMF and the World Bank were not spent on economic reform. Rather, they disappeared, and people did not benefit from them.

IMF and World Bank intervention and financial assistance to countries have thus failed to reduce the burdens on the people of these countries. On the contrary, the conditions imposed by the two international agencies on recipient countries have increased these people's suffering by exacerbating unemployment, causing horrendous price rises, and exposing their economies to imports at a time when their domestic output needs to be protected until it becomes competitive internationally.

The exposure of public-sector dominated economies to imports has caused serious damage to domestic output and engendered black markets. The end result, amid rising unemployment and prices, has been an increase in crime and in the people's suffering.

This is what we are seeing as a result of the intervention of the IMF and the World Bank in many countries, the most prominent being Russia, Poland, Hungary, and Lithuania. It was the people's hardships that prompted the disturbances in Russia and drove the electorate in three countries to elect communists to govern.

International newspapers and periodicals, especially those specializing in financial and economic affairs, have been sharply critical of the IMF and the World Bank, which they accuse of failure. I therefore hope that the Egyptian Government will succeed in convincing the IMF and the World Bank to desist from recommending a devaluation of the Egyptian pound relative to the dollar. Such a devaluation would be greater than 25 percent against other foreign currencies due to the dollar's drop in value.

New Customs Duties Announced

94LD0082C Cairo AL-AHRAM AL-DUWALI in Arabic
22 Aug 94 p 1

[Text] The Finance Ministry has begun to prepare a preliminary framework for switching over to new customs duties, which are expected to go into effect in December 1994. The maximum tariff will be reduced from 70 percent to 60 percent. This reduction is intended to balance the stimulation of international trade with the protection of domestic industry, and to create a level playing field for different economic and production sectors.

An official Finance Ministry source said that the new changes will also include a gradual, three-stage reduction of duties on 15 capital commodities—including equipment, factory machinery, and some raw materials—to 10 percent from 30-70 percent. The first stage will begin in December 1994, the second in July 1995, and the third in December 1995.

AL-AHRAM correspondent Amal 'Allam has learned that the exceptions stipulated under the current tariff structure will remain unchanged for economic and social reasons. Customs duties on Health Ministry imports such as milk products for children and medicines will remain at one percent and 5 percent respectively. Duties on the Ministry of Tourism's imported touring and camp vehicles will remain at 75 percent instead of 160 percent for similar imports, and duties on yachts, ships, and pleasure boats will remain at 50 percent instead of 70 percent.

The customs rate on several imports will not be reduced to 60 percent. They include beer (1,200 percent); wine and alcohol (3,000 percent); tobacco (80 percent); and diesel vehicles and cars with engines larger than 1,300 cubic centimeters [cc], on which the customs duties will remain as they are. Only vehicles with 1000-cc to 1300-cc engines will be subject to the 60-percent rate instead of the 70-percent rate.

Customs rates will be reviewed to reconcile the differing views of the Federation of Industries and Chambers of Commerce, the ministries, public business-sector companies, and the private and joint sector.

Imports for which the maximum will be reduced from 70 percent to 60 percent include marble; meat; leather clothes; carpets and rugs; pipes; electrical appliances such as gas stoves, water heaters, and refrigerators; recording, film, and video presentation equipment; electrical fans up to 125 watts; steam engines; small boat engines up to 92 kilowatts; electrical transformers; and motorcycles with engines measuring 12 to 28 cubic inches. The Federation of Industries is preparing a final report, which includes requests made by the different chambers regarding the tariff. The report will be presented to the Higher Tariff Council for discussion with a view toward introducing changes to the tariff structure to reconcile between the various imports that enter

domestic industry as raw materials. The goal is to create a sound tariff structure that achieves a balance between the production sectors, so that industrial development targets can be reached without problems and imbalances.

Iraq

State of Electricity Production, Networks Reported

94AE0170A Baghdad ALIF BA' in Arabic 20 Jul 94 p 22-23

[Article by Suhayr 'Abd-al-Wahid: "People, Electricity, Summer"]

[Text] A miracle has occurred in the electricity sector since it was destroyed during the coalition's aggression. Iraqis have been able to rebuild electrical power installations and networks and have quickly restored electricity to homes, businesses, and factories.

However, with the passage of four years of the iniquitous blockade, the depletion of spare parts and the ban on their export to Iraq has resulted in an energy shortage, electricity outages here and there, and complaints by certain areas and cities.

In a survey conducted by ALIF BA', it became clear that two quarters are causing the electricity outages. They are—first—people who do not participate in carefully guiding the consumption of electricity and, secondly, the UN Boycott Committee that denies Iraq spare parts for electrical installations.

Nevertheless, efforts of Iraqi technicians continue 24 hours a day to ensure the flow of electrical current. Despite all that, the fact is that the electrical system we have is considerably better than that of certain other regional countries.

Layth Al-Shaykhli, the director general of Baghdad electricity and supervisor of the governorates' electricity, stated:

"The cause of the outages is the deficiency in producing electrical energy. This has resulted in electrical outages in Baghdad and the governorates in general, as a result of technical defects occurring in generating stations. These outages have not been programmed, because of not knowing their extent. They have been dealt with recently. Note that since 3 June 1994, the volume of outages has been nearly normal, except for certain partial outages. There are many reasons for these partial outages, including outages due to maintenance and new connections, as well as outages caused by partial technical faults, such as wires being cut, burned-out transformers, or downed poles. This is normal and can be quickly overcome, if there is sufficient equipment."

Al-Shaykhli added: "There are also outages caused by citizens. They can be summarized as a volley of shots, 'random shots,' which expose the network and its

components to cutting of wires or burning of transformers. Moreover, when high winds occur, additional outages are caused by uprooted trees, which citizens have planted under or near the electrical network.

"Despite the fact that the main installation is not obligated to cut trees that cause outages, we are forced to do so in order to avert network outages, caused by tree branches touching electrical wires. In addition, there are certain other problems that occur between us and the citizen who refuses to cut down his trees that cause outages."

Abuse and Stealing

Mr. al-Shaykhli continued to recall practices that lead to electrical outages, including the abuses by certain youths and weak-minded people. "They throw wires and other things over the electrical wires. One offense involves the charging stations—a kind of cabinet—someone steals its side doors and circuit breakers, or throws trash inside it. This causes it to burn out. Despite our actions to protect them and restore operations, this continues to happen. This is a fact and it still happens. Probably citizens are aware of this, especially in areas of housing developments in Sayyidiyah and Dawrah and in the Shalhah and Huriyah areas and Saddam City. Annually, the cost of restoring charger operations exceeds 1 million Iraqi dinars. All these causes result in electrical current outages."

[Abd-al-Wahid] What about public lighting for streets?

[Al-Shaykhli] With regard to public lighting on streets, excesses in terms of abuse and theft of component parts can cause a shutdown of generating sources for these lights. The citizen must play his part in watching for such offenders and informing on them, since these lights serve all citizens who use these streets.

Call for Guidance

[Abd-al-Wahid] The Electricity Office is blamed for damages that occur in home electrical appliances as a result of outages in electrical current or its surges or brownouts. What is your comment?

[Al-Shaykhli] All citizens should be called upon to play their part in carefully guiding energy usages in their areas, in order to conserve electrical energy and also to protect their electrical appliances. Using these appliances for long hours causes them to burn out and shortens their operating life. It also increases the possibility of their being damaged. Consequently, guidance will reduce the amount of electricity used, which is an additional burden on one's income.

[Abd-al-Wahid] How far have your efforts progressed to curb outages and continue the flow of electricity?

[Al-Shaykhli] We believe that the citizen only blames the Electricity Office without remembering that Iraq has been going through an iniquitous blockade for nearly four years. Before that, there was an evil war with the

enemy. We have encountered many difficulties in obtaining the materials required to continue uninterrupted electrical service. However, despite all of this, efforts are being made either to find alternatives, or revitalize equipment scientifically and precisely, for the purpose of restoring their service in the electricity networks or in generating stations.

These are the reasons that cause problems with electrical power either in the generating stations or the transmission and distribution nets. It is the role of the citizen to protect the electrical networks and their components, and to guide the use of electrical energy within minimum limits, so that the blessing of electricity will continue uninterruptedly to all utilities.

Through the pages of ALIF BA', we call on all citizens to conserve electrical energy, watch out for those who abuse the electricity network and inform on them, as well as certain extremist violators who are not fulfilling their role because of fabricated purposes. As a result, this affects and interrupts electrical energy in housing developments. We also call on commercial establishments and automobile showrooms to reduce unnecessary lighting. Otherwise, actions will be taken to cut off electricity without notice or warning.

[Abd-al-Wahid] What will the electrical situation be in July and August, after the shortage we had in May and June?

[Al-Shaykhli] With everyone's cooperation with regard to energy consumption, the efforts of workers in the electricity sector, and overcoming abuses in the electrical system, we will get through safely both in summer months and winter. With the steadfastness of Iraqis, we can break the blockade and overcome all obstacles. Let us be frank: If a transformer breaks down, we cannot replace it, but we can repair it and restore it.

Boycott...Denies Equipment

The electricity sector's role in serving mankind and cities and, consequently, production is well known. The aggressor countries took aim at this sector through the blockade imposed on our embattled country, and through the UN blockade committee established under Resolution 661 in 1990. This has been turned into an instrument to serve scheming political goals against Iraq and its people by certain UN members, especially the United States and Britain. That became clear through that committee's refusal to equip Iraq with all materials that it needed to restore the economy, industry, agriculture, and environment to the condition they were in, prior to the historic mother of battles.

In the Ministry of Foreign Affairs, ALIF BA' met with officials to discuss the boycott committee's dealings with Iraq. They said that among the materials that Iraqis are forbidden to acquire are maintenance equipment and spare parts for the electricity sector. Requests to the

boycott committee to provide this equipment were blocked. Many governments to which the supplying companies are subordinate, including Britain, Germany, Japan, Italy, and France, refused to submit the material requests through their missions in New York to the boycott committee, in accordance with that committee's requirements, on grounds that these governments do not consider Iraq's need for this material to be critical and exclusionary from the Security Council resolutions. These resolutions have permitted Iraq to be supplied with food, medicine, and basic civilian humanitarian materials. With some companies, the matter has reached the point of refusal to correspond with the Iraqi authorities concerned, because their governments will not permit that.

This leaves Iraq in a vicious circle. The equipment it requests is humanitarian, critical, and exclusionary in accordance with Paragraph 4 of Resolution 661/1990, and Paragraph 20 of Resolution 687/1991. Some of the suppliers want to provide Iraq with the material, but their countries do not, on grounds that it is material that is not critical for the Iraqi people. The sanctions committee says that it cannot consider providing Iraq with material except by request from the companies supplying the material, which must be submitted through their governments.

Message, Proposal

A ministry source added: "In order to get out of this circle, the Ministry of Foreign Affairs—through our mission in New York—approached the boycott committee directly, through an official memorandum, accompanied by a nine-page list of Iraq's requirements for spare parts for the electricity sector. The memorandum pointed out that the Iraqi requests for requirements to continue electricity production and distribution are considered critical, basic, and necessary needs of the Iraqi people, especially since the domestic sector consumed 60 percent of total electrical energy produced, while the remainder is used by production elements and services connected with medical treatment and water purification and distribution.

"The memorandum also referred to the reports of all the humanitarian missions and organizations that have visited Iraq, as well as the reports of the secretary general's envoys, Prince Sadruddin Agha Khan and Ahtisaari, as well as the report of the Harvard University team, which confirmed the total destruction in the electricity sector.

"The boycott committee debated the Iraqi request. The British delegate intervened in this debate, stating that there were problems with regard to this memorandum. She asked for more information about final usage and locations of power plants. She also asked that requests to export spare parts be submitted by the exporting nations, and that UN agencies supervise the maintenance of the power plants. The U.S. representative supported the British view. In order to forestall the opposing members, the ministry sent a letter to the boycott committee, in which it expressed Iraq's willingness to provide the

committee with full data concerning final usage and locations of power plants, and stating that it would agree to have the UN Development Program or other agencies concerned supervise the importing of spare parts.

"The memorandum also cited the clear incompatibility between the context that the committee chose to work in, to the effect that the supplying companies must submit their requests through their governments, and the instructions of those governments to their companies not to do business with Iraq. Therefore, the letter proposed that the committee's operating mechanism be changed in such a way as to allow Iraq to submit its requests directly to the committee, after the concerned UN agencies sanction dealing with Iraq in order to obtain the committee's approval. That would open the way to obtain bids."

The ministry official added: "However, we know that the one who refused to supply Iraq with children's bicycles, cloth to make shrouds for the dead, and suspension bridge cables could not easily supply Iraq with a power plant or maintenance supplies. The motive behind all this has become well known, even to some of the boycott committee's members themselves. The motive is to cause damage to Iraq and prevent its progress, in order to serve their sick dreams."

Electricity Data

- In Baghdad, the normal peak load per year reaches nearly 1,600 megawatts. This occurs in July and August.
- During this year, the highest load capacity was 1,450 megawatts for the month of May. This was almost the peak load for last year. The reason was the early rise in temperatures, in addition to high illegal consumption by citizens.
- When there is a shortage of electrical energy, the consumption of electricity is higher than the energy generated. There are protective devices that operate "under oscillation," which turn off some of the transformers. That results in the complete blackout of housing areas, in order to protect the electrical generating system from stopping altogether, which would cause a nationwide electrical outage.

Israel

Sagi, Shahaq Competing for Chief of Staff Slot

94AA0113A Tel Aviv HA'ARETZ in Hebrew
10 Jun 94 pp 23, 24

[Article by Urit Galili]

[Text] Chief of Staff Ehud Barak will complete his term of service at the end of the year and leave for what has been called "private affairs." In fact, he is adopting a wait-and-see attitude, and most people are guessing that he will enter politics before the next elections.

By the end of September, Rabin has promised, he will announce who is to be the next chief of staff. Appointment of a chief of staff entails appointments of other

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senior officers—the deputy chief of staff, the chief of military intelligence, the theater commanders—and placing generals in other posts. In the next round of turnovers, Rabin also plans to replace the heads of the General Security Services and the Mosad. All in all, at least seven top officers in the Army's high command and the intelligence branches will be replaced.

Gen. Avigdor Ben-Gal (Res.), who vied for the post of chief of staff against Moshe Levy and Dan Shomron, says that the generals are actively using the waiting period to plead their cases—to Knesset members, ministers and confidants of the Defense Minister. "It has always been that way, because there are times when appointments definitely can be affected by the media and by shaping public opinion." In recent years, the campaigning has included behavior that would not have been regarded as legitimate until the 1970's: generals declare their candidacy even if they are not considered candidates by the prime minister and the minister of defense. That, for example, is what Yosi Peled did while serving as OC Northern Command. After the Yom Kippur War, Gen. Yisra'el Tal (Res.), an adviser to the defense minister, described what he termed "a change in the ethos of IDF [Israel Defense Forces] officers." He suddenly heard commanders proclaiming: "I have decided to seek the post of chief of staff," and was shocked at the time by the political-careerist terminology that had infiltrated the army.

Four generals see themselves today as contenders for chief of staff: Amnon Shahaq, Uri Sagi, Matan Vilnai, and Yitzhak Mordekhay. For Sagi, Vilnai, and Mordekhay, it is clear that Shahaq's chances are much better than theirs, and their efforts have mostly been directed towards improving their prospects for deputy chief of staff. There have always been such open struggles, says Ben-Gal, and the issue is being joined even though everyone knows that Shahaq will be chosen. "The formal coronation will actually take place in September, but just as Maccabi Haifa was crowned even before the season was over, so it will be with Rabin's decision on Amnon Shahaq. It was all wrapped up for him a year ago."

Even so, if Rabin invites any of the four candidates for a chat in his house these days, there is still cause for whispers. The same is true whenever any of the four appears in an interview, on television, on radio or in the newspapers. Vilnai recently appeared in a report by Mordekhay Kirshenbaum on the evacuation from Gaza, then in a long report by military correspondent Alon Ben David, and finally in an extended interview with Nisim Mish'al. It also was not long ago that Vilnai publicly received a compliment from Rabin for the way the evacuation from Gaza was handled. Observers of the prime minister say that this is a positive indication for Vilnai, but the goal may have been to inspire him to continue working all out and deter him from resigning at an inconvenient time for the Defense Minister. Since the age of 22, Vilnai has been what is usually called in the IDF "a natural chief of staff," but he has never been

close to the minister of defense or the prime minister. Suddenly, as one person close to the chief of staff puts it, "Rabin got the idea of meeting Vilnai," both in the field and at cabinet sessions and meetings in the Defense Ministry. The prime minister came to appreciate Gen. Vilnai, who is now regarded as a man with good chances to be the next deputy chief of staff.

Shahaq gained public exposure during the talks with the PLO. Former IDF spokesman Nahman Shai says that the fact that Shahaq was named to represent Israel in the talks was taken throughout the defense establishment as a sign that a decision in his favor has already been made. His rival Uri Sagi gained exposure only during the press conference following the seizure of Mustafa Dirani, in which he was showered with compliments for the intelligence service's superb performance in the operation.

Kudos to a single general arouse jealousy among the others. OC Northern Command Yitzhak Mordekhay remained completely on the sidelines while the operation was carried out on "his" turf. Mordekhay, to some degree, overcame his hard feelings when Hizballah struck back and he was able to take to the field in the camera's eye as he toured the area where the shells had fallen and calmed northern residents. There is no Katyusha attack without Mordekhay's appearance on television afterward, says Nahman Shai, stressing that every appearance of a theater commander is first approved by the chief of staff and the minister of defense. According to Shai, Mordekhay's superiors undoubtedly are weighing his nonmilitary future these days and taking into account the fact that if he decides to retire from the IDF following the next round of appointments, his media popularity will help him build a political career.

Be that as it may, Vilnai and Mordekhay are not regarded as top contenders; the only opponent facing Deputy Chief of Staff Shahaq is Sagi, the chief of military intelligence. What is Shahaq's advantage over Sagi? In peace time, says Gen. Yesh'yahu Gavish (Res.), the general picked goes through a broader range of posts. That is where the deputy chief of staff has the edge: he has passed through the required stations. His combat record is exemplary and he has even been twice decorated for bravery. Shahaq's position today resembles that of Ehud Barak in 1990 on the eve of his appointment as chief of staff by Yitzhak Shamir. Shahaq also enjoys great respect among the government's ministers, including the prime minister, and is considered an authority figure in the army.

Can lobbying efforts and media appearances still change the power relations between Shahaq and Sagi? I spoke this week with many people close to Rabin, and they were unanimous in their view that public relations could not influence him on this subject, particularly since he knows both candidates well. Because of his own experience as chief of staff, and because he was passed over twice before gaining the post, Rabin still treats the job as a holy calling. A lobbying campaign on the prime minister can only hurt a candidate. So why did Shahaq

decide last week to give an interview revealing details of his bout with cancer? Shai thinks that the interview was a crafty ploy, done with the approval and blessings of the prime minister and the chief of staff, designed to preempt any possible rumors. In this context, Eytan Hever, director-general of the prime minister's office, cites the interview that Rabin gave "HA'IR" during the election campaign two years ago, which was meant to squelch rumors about his drinking habits.

Knesset member Rafa'el Eytan, a former chief of staff, believes that such exposure is not good for the IDF. "I cannot think of a time when such use was made of the press in previous contests for the post of chief of staff, but it looks like everyone is trying to advance his own interests by whatever means he deems proper. What happened in my own case? I did not depend on anything. I did not beg and I did not ask anyone to beg for me."

After Eytan finished his term, Defense Minister Moshe Arens came under intense lobbying pressure from contenders and their supporters. The contestants were Dan Shomron, Avigdor Ben-Gal and Moshe Levy. The conventional wisdom is that Gen. Menachem Meron, who had worked with Arens in Washington and came back home with him to become director-general of the Defense Ministry, steered the decision in Levy's favor.

At the end of Levy's term in 1987, Rabin, pondering whether to name Shomron or Baraq, sent out someone to take a sort of informal survey among officers on the general staff. The generals were asked diversionary questions of a general nature—about the image of the general staff in recent years and the proper preparatory route for senior commanders. Sneaked in among these was the question of who should be the next chief of staff. Most of the generals were for Baraq. Rabin decided on Shomron.

One could, in fact, see the appointment of Shomron as typical of Rabin, picking a general whose turn had come and who was serving at the time as deputy chief of staff. Rabin told Baraq at that time that he was still young, his time would come, and to make sure that Baraq would follow the correct course, named him deputy chief of staff. Now the guess is that Rabin will suggest that Sagi wait patiently as deputy chief of staff, on condition that Shahaq agrees to this. But everyone I spoke with thinks that Shahaq is not interested in Sagi as his deputy and prefers Vilnai. Those close to Sagi say that if Shahaq is appointed chief of staff and picks a deputy based on who is personally compatible with him rather than on professional considerations, the defense establishment will suffer.

Until a year ago, relations between Shahaq and Sagi were good, but since their rivalry began, they have become merely correct or even worse. It was no accident that Sagi was praised for the seizure of Dirani only by generals who are not his rivals: 'Uzi Dayan, Ilan Biran, Herzl

Budinger and Ze'ev Livne. He did not receive congratulations from Mordekhay, Vilnai or Shahaq. If no possibility exists of appointing Sagi deputy chief of staff, Rabin might offer him another key post in the defense establishment.

Early in September, Rabin will invite Shahaq and Sagi to see him in separate visits. Each of them will be asked to say why he is the best candidate for chief of staff. Gavish, who once competed against David El'azar for the post, asserts that anyone who wants to be chief of staff should have good relations with the prime minister and the defense minister. "If he is in a situation where he has to ask for the job, that is very bad." Gavish had the backing of Defense Minister Moshe Dayan, but Golda Me'ir and Hayim Bar-Lev supported El'azar, and their view prevailed.

Some ministers serving on the security cabinet point out that Shahaq also has the advantage that his personal relations with Rabin are cordial, but all of them stressed that "the prime minister has extraordinary respect" for Sagi as chief of military intelligence and pays very close attention to his analyses. For all that, he feels more at ease with Shahaq. There is no doubt, one of the ministers whispered in my ear, that "Rabin likes Shahaq better." Indeed, Shahaq spends time with Rabin even after work, and Rabin recently took part in two private affairs held in his honor. Sagi, by contrast, has never been a guest at Rabin's home and all their conversations are confined to business. Sagi also recently told colleagues that his wife, too, does not meet the prime minister's.

The deputy chief of staff is considered more communicative, a man with leadership abilities. The chief of military intelligence is seen as secretive, a stickler for details, totally independent in his opinions. He was the first to suggest to the Likud government a change in direction for Syria and Hafiz Asad's new views on peace; it was he who forcefully argued for the Madrid Conference because the PLO was the sole Palestinian interlocutor. Sagi also tells politicians things they do not want to hear. Former Prime Minister Shamir highly valued his opinion—even though it sometimes conflicted with the Likud's outlook on the world—and frequently sent over his right-hand man, Dan Meridor, to hear his views on political issues. Sagi won praise in the security cabinet last month when he explained the plan for capturing Mustafa Dirani. Everything that he had predicted, all the developments in the wake of the operation, had come true precisely as described. Shahaq, by comparison, speaks more generally, delving less often into details. "Sagi speaks with tweezers, Shahaq with a paint brush," one member of the security cabinet told me.

Meridor and Yosi Sarid say that Sagi is the best chief of military intelligence the IDF has ever had. But these plaudits, which sometimes reach the prime minister, are also liable to be his bane: Rabin might ask him to continue in his post as chief of military intelligence. Perhaps if there is progress in the negotiations with

Syria, Rabin, as compensation, will make him, along with Itamar Rabinovitch, head of the delegation to the talks with Syria.

From one point of view, the defense minister already has a debt to Sagi to repay because he has not made good the promise that Sagi received from the previous defense minister, Moshe Arens, and Baraq, of a rotation in the post of deputy chief of staff. When Shahaq was named to the post, Sagi sought to resign, telling Arens and Baraq that if Shahaq were deputy for four years, he understood that he himself had no chance of being appointed chief of staff. Arens and Baraq then asked Sagi to serve as chief of military intelligence. "I have already been OC Northern Command," he answered them. "And I have been chief of Ground Forces Command. If I have no chance of becoming chief of staff, I would rather resign." They eventually came to an agreement by which Shahaq would serve two years, after which another deputy chief of staff would be selected. The realistic candidates for the position were Sagi, Vilnai, and Mordekhay, and Sagi reckoned that he had the most realistic prospects of the three. Another candidate, 'Amram Mitzn'a, withdrew from the competition and went into politics.

After the Labor Party won the elections, however, the new prime minister, Yitzhak Rabin, decided that for the sake of the peace process, it was important that Vilnai remain at Southern Command and Sagi as chief of military intelligence, and for Shahaq to continue as deputy chief of staff while heading the delegation to the talks with the Palestinians. This, in effect, ended his option, for it is obvious that when there is one deputy chief of staff, he is being groomed for the post of chief. It must be remembered, notes Gen. Tal, that officers were jockeying for position in the IDF's top ranks long before the competition for the post of chief of staff. When it comes to appointment to the highest position, the questions that always must be answered are, to what generation do you belong and what have your postings been? You have to see five moves ahead. The man who appointed Dan Shomron to be OC Southern Command over another candidate dictated to the defense minister who would be the next chief of staff; the man who became chief of Ground Forces Command, for example, instead of a theater commander—such as happened with Sagi, who served only half a year as a regional commander—is liable to miss out on being chief of staff.

The final factor that may yet change the decision is the declared opinion of the chief of staff, Ehud Baraq. A close relationship exists between him and Rabin that transcends the post and that goes back many years. Baraq's attitude is not bound by convention. As Baraq sees it, it is not essential that a chief of staff have served previously as deputy to the chief. He regards Shahaq and Sagi as excellent, equally worthy candidates. Baraq and Sagi have been close in political outlook recently, with both taking a rather cool approach to the peace process as it has been conducted. "If we are headed towards a Palestinian state," Baraq has often told the politicians,

with support from the chief of military intelligence, the public must be told that openly and expressly. Shahaq, by contrast, has sounded more optimistic and somewhat vaguer. Some people say that he has been influenced by Peres' staff, with which he has conducted the negotiations with the PLO.

But the chief of staff also seeks advice from Shahaq, and everyone close to them agrees that the two greatly respect one another. One insider told me that Baraq admires people who know how to break away occasionally from military thinking. Baraq's recommendation of Shahaq may not be automatic, given the precedent of the selection of the representative to the talks with the Palestinians. At the time, Baraq preferred Gen. 'Uzi Dayan, and some reporters even concluded from that—erroneously—that his relations with Shahaq had cooled. In the end, the chief of staff accepted the prime minister's view that the deputy chief of staff's broad experience should tip the scales. So whom, then, shall Baraq recommend? Among Shahaq, Sagi and Vilnai, he will have difficulty finding a favorite, and probably will seek a way to demonstrate neutrality.

Rabin, who in any event does not seek to introduce others into his musings, once again will make the decision on his own.

Elbit Upgrade Program of Romanian MiG-21's

94AA0113B Tel Aviv HA'ARETZ in Hebrew
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[Article by Sharon Sadeh]

[Text] Early in 1992, some months before the Farnborough Air Show in Britain, a delegation of 10 senior officials from the Romanian aircraft company Yar-Brashov, led by CEO Nicolae Baniya, arrived in Israel. No one awaited them, and they went through passport control as ordinary tourists. The delegation then waited for a representative of the host company, the helicopter plant of Israeli Aircraft Industries (IAI), which is located a few minutes drive from the airport. The minutes passed without anyone coming for them. The perplexed Romanians decided to wait a little longer; perhaps the emissary had been called off on an emergency, perhaps he had been held up by an unforeseen problem. After an exhausting wait, they realized that no one had bothered to arrange the usual reception in their honor or to reserve rooms for them at a decent hotel, as is ordinarily done in commercial relations at this level.

The delegation eventually spent the night at a cheap hostel in Tel Aviv. The next day, furious at the conditions of their lodging and their humiliating treatment, they sat down for official discussions with IAI representatives. On the agenda was a Romanian proposal for a joint project to upgrade French Puma-330 transport helicopters, which Brashov had built as a licensee. The Romanians provided IAI a mock-up of the Puma's cockpit instrument panel and then proposed that IAI put

up a large share of the costs in making a mock-up of the upgraded Puma, which they offered to display at the Farnborough Air Show at IAI's expense. According to the Romanians, hundreds of helicopters of this model had been sold to various national armies; IAI would be able to recover its investment in the upgrade program (\$2-3 million) and even make a profit when the upgraded helicopter was sold.

The Romanians did not leave with the positive response that they had hoped for. The marketing prospects for the upgrade package seemed slight to IAI, and after further clarification, including a visit to Romania by David Artzi, now director-general of the Bedeq division but then director-general of the technology division that included the helicopter plant, IAI turned down the offer. The Romanians, angry at the rejection and still humiliated by the degrading night at the hostel, demanded that IAI give back the mock-up of the helicopter. IAI, which claimed that it had not invested anything in the Puma, was slow complying; indeed, it did so only after the Romanian Ministry of Defense intervened. "The argument was over the shipping costs of the mock-up to Romania, \$30,000," contends IAI's management. "We took care of it once we received appropriate assurances."

Into the void left by IAI leaped another Israeli company, Elbit, which was happy to restore Romanian faith in Israeli industry. The pair jointly displayed an upgraded mock-up of the helicopter at the 1992 Farnborough Air Show. According to Yig'el Brokhi, director-general of Elbit's military systems, "Elbit's involvement in the Puma upgrade was a good deal for us."

This puzzling episode occurred in the heat of competition between IAI and Elbit to upgrade 110 MiG-21 aircraft of the Romanian Air Force. Although IAI demanded the entire deal for itself, the Romanians insisted on discussing only a joint proposal between IAI and Elbit. IAI also came under pressure from the Ministry of Defense to collaborate with Elbit—to no effect—and the Romanians decided in the end to open a separate channel to Elbit.

IAI denies any connection between the hospitality blunder with the Brashov team and the lost MiG deal. IAI contends that the responsibility for the mix-up lay wholly with the Romanians. "The delegation did not coordinate its arrival in Israel and got here a week early. That is why they were not received in the manner in which IAI customarily welcomes visitors and potential clients." As for the deal that was nixed by IAI, and later closed by its Israeli rival Elbit, IAI's management claims that "The project was neither profitable nor practical," and that it does not know what led Elbit to take it on.

The Puma story, and the MiG affair even more so, reveal how Israel's defense exports appear to foreigners. Israeli companies, both private and state, compete with each other, refusing to cooperate and employing local agents to obtain information and organize lobbies to promote their chances against their competitors. So far have

things gone that at least in one instance, Deputy Romanian Defense Minister Florentine Popa recommended to the Israeli Ministry of Defense that it "take charge to prevent a situation in which Israel is left out because of the competition and a third party takes the prize."

In this instance, the deal remained in Israeli hands, although private ones (Elbit), but at least at one stage, Elbit was willing to share it with the Russian firm Mikoyan. Besides that, it is clear that even IAI was not entirely left out. Elta, a subsidiary of IAI, independently maintained contacts with the Romanians and gave them to understand that it would be willing to carry out its part of the deal even if it was Elbit that won it. That made it easier for the Romanians to choose Elbit and placed IAI in a strange situation. After it had refused to accept Elbit as a junior partner and lost the deal as a result, it found itself, through Elta, as a junior partner to Elbit.

The Ministry of Defense is not thrilled by the fact that IAI, a state corporation that has been beset by troubles since cancellation of the Lavi project, lost the \$300 million deal to upgrade 110 MiG aircraft to a private company. One can read as the ministry's response an official announcement on the sanctity of the free market. "The ministry does not interfere in business decisions, which are made by the industries themselves. The Ministry of Defense strictly assures that its assistance is given equally to every defense industry that engages in exports, whether they are private or state."

The MiG deal began brewing relatively soon after ouster of the Nicolae Ceausescu regime in Romania in 1990 and its succession by an elected government. Yitzhaq Ben-Tzvi, who then served as head of the IAI delegation in Paris, learned in the latter half of 1991 that the Romanian Air Force was interested in upgrading its MiG's. After some meetings and correspondence with Romanian officials, IAI realized that the Romanians had already received upgrade tenders from two foreign firms. One was Mikoyan, the Russian MiG manufacturer, and the other was Chinese. Romanian law requires tenders from at least three competitors before one can be accepted; thus, IAI's Lahav plant entered the competition.

Lahav was better situated to enter than its rivals. Apart from the reputation of Israel's arms industry and its connections to markets in the West, it was then mounting an upgrade project for this plane, based on advanced components and technological data, some drawn from systems on the stillborn Lavi. In November, 1991, IAI officials met with Romanian representatives of the Ministry of Defense, the Air Force and the aircraft industries, learning that their chances for winning the deal were good. IAI recognized the possibilities opened up by the upgrade program for aging MiG-21's: hundreds of them still in service in East European and third world air forces that could not afford more up-to-date aircraft.

Except for the Russians, only Romania had complete knowledge of the MiG-21's production process, an

advantage that made the Romanians an essential partner in planning and carrying out the plane's upgrade. Israel's involvement in the Romanian upgrade program assured both sides of further possibilities. Romania's industries, which were hungry for Western know-how, hoped to exploit the fame of Israel's aircraft industries for additional common projects in order to break into foreign markets, while IAI's management hoped to obtain work for its employees in order to arrest the trend towards retrenching and dismissals following cancellation of the Lavi project.

After the Romanian procurement bureau, headed by Gen. Valery Urso, showed competitors' specifications for the tender to IAI representatives, its preparations went into high gear. Marketing activities of the MiG upgrade went under the code name "Olive Leaf," and even before the proposal was delivered to the Romanians, the Defense Ministry's department for assistance and defense exports (SIBAT) granted IAI permission to look into the venture. IAI, at the time, was the sole Western player in the Romanian aircraft upgrade arena. Delegations dispatched by the company toured Romania and wove a web of relations with senior officials in the defense establishment. IAI's top test pilot, Menachem Smol, flew the MiG-21 in Romania.

On the recommendation of [former] Defense Minister Nicolae Spirioiu, IAI hired a local agent named Wili Halivany, a childhood friend of Spirioiu. IAI also formed warm ties to Romania's Aerostar aircraft factory, which renovates MiG-21's and was assigned to it by the Romanian Defense Ministry as the entity that would perform the upgrades in Romania. The two companies reached an agreement on cooperation in a number of areas, assuring Romania technological data, assistance in computers, shared work and orders for it as a secondary contractor in other IAI projects. To show its good will, IAI placed a \$50 million order with Aerostar for lock work, which was then equivalent to a thousand monthly salaries in Romania.

IAI was surprised to discover early in 1992 that another Israeli player was active behind its back in Romania. IAI representative Yitzhaq Ben-Tzvi, who had gone to Romania, told David On, then vice president for marketing and now president of IAI's American branch, about his visit. "You occasionally can find yourself in a situation where you arrive on a scheduled visit and at the same time there is a team from a competitor Israeli company visiting the clients for similar reasons." Ben Tzvi learned to his astonishment that representatives of the rival company (Elbit) had so impressed the Romanians that they had received a request to offer a price on a tender for upgrading the MiG's. This was at a relatively late stage, but not too late. Although Elbit, in the event, did not manage to present its proposal in time, the Romanians did not see this as the end of the story.

Elbit, it turns out, had an important advantage over IAI. Its local agent, Roni Lerner, had established a network of

close connections with top Romanian officials. Lerner, an Israeli citizen working in Romania, there served also as TA'AS' [Israeli Military Industries] representative and was considered a successful agent. He had succeed in gaining for TA'AS its first deal, worth \$6 million in sales, for ammunition and belts, after which TA'AS received additional orders amounting to tens of millions of dollars.

In February 1992, the Lahav factory presented the Romanian Air Force with the technical aspects of the upgrade proposal. The Romanians made clear to IAI during the meeting that they wanted to split the upgrade program into two phases because of budgeting difficulties. In the first stage, only a prototype would be developed; only after that would a production run begin. They explained that they could commit themselves in advance to a budget of only \$10 million at the most.

In March, IAI sent the Romanians a prototype development plan, including test flights, that met their budgetary limit. Some weeks later, IAI even completed a summary of the work to be shared with Aerostar and was ready to begin the project. But other Israeli-Romanian negotiations were under way behind the scenes. Elbit sent the Romanians its own upgrade proposal, and according to senior IAI officials, they later heard from Elbit employees that every IAI/Lahav document sent to the Romanians was copied and delivered to Elbit, which milked them for its own purposes. All this even though IAI had signed a "no disclosure agreement" with the Romanian Ministry of Defense.

Yig'al Brokhi, who will become Elbit's CEO this month, denies these allegations. "We understood the Romanians' needs from the questions they asked us," he says. But the fact that such suspicions have been voiced by IAI officials testifies to the mutual respect in which these two companies hold one another. Each of us, however, is blind to his own faults. Senior IAI officials, naturally insisting on anonymity, admit that they too used later used this technique when they realized that it was possible, at the right price, to obtain competitors' documents. In an official reply, IAI emphasizes that it is a state company that operates "in accordance with law and the procedures of the Ministry of Defense."

The critical step taken by Elbit, which changed the rules of the game in this contest, was a request transmitted to the Romanian defense establishment to arrange a week-long trip in Israel—at Elbit's expense. The delegation of 13 officials holding key posts had been carefully chosen. It included four experts who were officers in the Air Force, four experts from Aerostar and representatives from the Romanian Ministry of Defense, who were slowly won over by Elbit's charm. The visit, which took place in May, 1992, was organized under SIBAT'S auspices, which cast a government aura over it. The visitors got VIP treatment and Elbit spared no effort to impress them. It showed them its varied products, took them for an Air Force flight at its expense to demonstrate its systems, and invited other companies (TA'AS, El-Op and Rafa'el) to display their equipment at Elbit.

The Romanians became familiar during the visit with the best Israeli-developed combat and avionics systems, including a helmet sighting system, air-to-air missiles, guided bombs, advanced containers, targeting computers and more. Elbit, meanwhile, created an image of a serious, reliable company, one capable of pulling together the finest equipment made in Israel and whose systems the acclaimed Israeli Air Force had chosen to install on its airplanes.

Then too, IAI remained outside the picture, almost until the last moment. Elbit and SIBAT had already wrapped up the details of the visit when word of it somehow leaked to IAI representatives in Romania. Fast as lightning, before the Romanian delegation left for Israel and only after efforts were made to convince the Romanians to agree to visit IAI too, IAI's management received confirmation in a letter from Romania, signed by Valery Urso, CEO of Romteknika: "Pursuant to Elbit's invitation (at its expense), a Romanian delegation will visit in Israel...and in accordance with your invitation, the Romanian delegation would also like to visit IAI." Elbit's CEO, incidentally, claims that he does not remember the Romanians' May 1992, visit.

IAI arranged a tour of its installations for the Romanian delegation, showed off its products, flew the deputy Air Force commander, Stepan Wein, on a Lavi and did everything it could to counter, however slightly, the deep impression that Elbit had made on them. But it was all too late. The Romanians announced that, to convert their aircraft into top-notch warplanes, they had decided to equip their MiG-21's with the advanced systems that Elbit had showed them.

Like a child on his first trip to a toy store, the Romanians wanted to buy more and more. They decided to expand the MiG upgrade project by adding sophisticated components that doubled the cost: from a program with a solid price of \$150 million, the cost of the deal jumped to \$300 million. At the same time, the IAI's assessment of the situation turned pessimistic because the Romanians, given their financial state, would be able to pay for only a partial upgrade that would amount at most to \$30 million. Still, that did not lead IAI to break off contact.

Just the opposite. IAI's management was surprised by the grave breach that it discovered in its intelligence. The absence of advance knowledge of the Romanians' trip to Israel called into question the talents and connections of Halivany, IAI's agent in Romania. After study, it was decided to team him up with a local representation agency called Strand, which had better connections at the Romanian Defense Ministry. That same month, IAI's deputy CEO and Shmuel Elqon, director-general of its aircraft division, went to Romania and offered the Ministers of Defense and Industry extensive cooperation in upgrade programs for warplanes, training aircraft and helicopters.

IAI's vigorous marketing efforts fit well with the strategy set by the Lahav factory, whose goal was to bind the

Romanians to IAI through a range of business interests as a means of promoting IAI's chances for winning the contract. Among other things, IAI offered cooperation in producing the Romanian Yar-99 jet trainer (which later was called the Yar-109), for the purpose eventually of establishing cooperation between IAI as a company and all the Romanian aircraft industries, including formation of joint companies.

July 10, 1992, has gone down as the day the MiG contract was closed. While the Russians and the Chinese still remained in the early stages, the Romanians were presented with just two offers, both from Israeli companies: one from IAI and one from Elbit. As a last minute preemptive action, taken out of fear that the Romanians were leaning towards choosing the Elbit offer, an Israeli representative visited the Aerostar plant two days before the appointed time. That was the deputy factory manager of Elta, IAI's subsidiary, carrying the message that Elta would provide Aerostar work as part of the upgrade program, particularly in installing radar units and communications equipment.

It later became evident that this mission did IAI a disservice. The Aerostar officials knew that Elta was willing to sell its products not only through Lahav/IAI but also through Elta itself if it won the contract. In preliminary talks within IAI, Elta had refused to promise that it would sell its products only as part of the IAI package, despite heavy pressure brought to bear on it by the Lahav factory and the company's top management. Now the Romanians knew this, too.

IAI's subsidiary has an independent and flexible marketing policy that sometimes bumps into the interests of other IAI factories, leading to internal disputes. IAI's management contends that "the business policies of IAI plants are not for public discussion," but then immediately points out that "IAI and its factories operate on the basis of economic business considerations." Of this, one senior IAI official says, "I am aware that this amazes people, that a certain paradox exists: how can you come to an understanding with one IAI plant but not with the entire company? By the way, this is not the first time that an IAI factory has arranged to cooperate with Elbit and was willing to improve their chances of winning a contract even though another IAI factory was competing for it."

The official also says that Elta received permission to form ties to Elbit from its board of directors, whose chairman is Moshe Qeret, IAI's CEO. What really makes this surprise so stunning is the question how Qeret, in his capacity as chairman of Elta's board of directors, could approve actions that were liable to harm the interests of the company that he manages. The IAI official gives a vague answer that leaves the question open. "It is his obligation as IAI's CEO, and also according to his personal outlook, to see to getting work for the whole company and not one branch or another of it."

The Romanian contract committee met in July 1992. It numbered 17 members: representatives of the Air Force,

Aerostar, the Aeronautical Institute and the Ministry of Defense. The committee studied the technical proposals of IAI and Elbit. By a majority of 14 to three, it determined that IAI's proposal was superior to Elbit's. This was the last time that the contract committee convened in full; afterwards, only much smaller groupings of just three members, all of them from the Defense Ministry, would meet: the committee chairman, Admiral Sorin Radukanu, assistant to the deputy Minister of Defense; Col. Anton Toma of Romteknika (the armaments authority); and Gen. Dan Zakariya, who was in charge of the procurement bureau. All three were confidants of Gen. Florentine Popa, the Romanian Deputy Minister of Defense, whom IAI officials already feared had reservations about their proposal.

One month later, on August 20, 1992, the envelopes containing the price quotes from IAI and Elbit were opened. The former asked for \$297 million, the latter, \$330 million. It seemed that this time, too, IAI's offer had the upper hand, but because the contract specifications were not uniform, there was some difficulty in comparing the two offers. The Romanians therefore decided to redefine the specifications for the price quotes to make them the same and asked the two companies to submit new quotes. Once again, IAI's offer came out ahead of Elbit's, although by a much smaller margin: \$297 million to \$300 million.

Yet the contract still was not settled. Towards the end of the contest, IAI officials, led by CEO Qeret and David On, who was then vice president for marketing, received signals from the Romanians that they wanted IAI to select Elbit for jointly performing the upgrade project, with 60 percent of the work to be done by IAI and 40 percent by Elbit. From Elbit came indications of its readiness to split the work as a condition for dropping out of the competition. These requests were rejected by IAI's management for various reasons that it is not willing to disclose ("IAI will not publicly discuss its business decisions," says Doron Susliq, chief of IAI's press office). It is known, however, that in the wake of the work jointly done by the two companies on the Lavi project, some officials would find it difficult to work together. Apart from that, two years after cancellation of the Lavi, IAI could not permit itself to give in so easily, even on a cut of the deal.

On the eve of Yom Kippur, October 7, 1992, the two companies submitted their final, revised offers to Romteknika's offices in Bucharest. IAI performed an act of deception the next evening. After the IAI and Elbit teams had left Romania, one IAI official suddenly remembered that he had to correct something in the offer they had just submitted. An urgent overseas phone call to the contract committee chairman, Admiral Radukanu,

led to the return of the IAI officials to Bucharest, via Italy, where they amended the price quote given to the committee.

There are two possible explanations for this subterfuge. First, the IAI officials were afraid that their offer once again had fallen into Elbit's hands and wanted to make sure that Elbit could not adjust its own accordingly. The second possible explanation is that IAI had succeeded this time in obtaining Elbit's price quote and rushed to shave its own in order to assure victory. In any event, IAI reduced the overall figure in its offer to \$294 million (compared to Elbit's revised offer of \$297). The offer called for paying most of the price, \$250 million, in easy installments and making payment of the balance through transfers of goods pursuant to a barter deal worth \$44 million. The Romanians were also promised mutual purchases by IAI and cooperative ventures with aircraft industries in Romania to the tune of \$170 million.

Now it was Elbit officials' turn to be caught by surprise. Only on their return to Israel did they learn of the trick played on them by IAI; yet they were still to have the last word. IAI was crowned victor in the deal in October, but the victory letter that it received [text missing]

[Box, p 21]

What Is All the Uproar About?

Some facts about the plane: the MiG-21 is the most common jet warplane in the world. It is a single-engine plane of which, since the start of production in the Soviet Union in 1955, some 7,500 have been bought by the air forces of 37 countries. About 2,000 planes still are to be found in active service as front line planes in many nations. Russia, China, India, Romania and some of the independent republics that arose after the breakup of the Soviet Union maintain the largest fleets of MiG's.

And some facts about the two Israeli companies that jostled for the deal to upgrade Romania's MiG's. 1993 was the worst business year in the history of IAI, which is a state-owned company. IAI lost a record \$447 million that year, including \$360 million in payments for employee retirements that were covered by the national budget. In the wake of these losses, the company's management drafted a recovery and reorganization plan that called for the dismissal of another 2,000 workers (out of 15,500), division of the company's factories into four central, independent units, and a significant reduction in the authority of the central management. The work schedule for 1994 indicates some improvement in the company's business outlook.

Elbit, a private corporation traded on the Tel Aviv Stock Exchange, provides a worthwhile counterweight to IAI. Elbit employs approximately 3,500 workers and finished 1993 with a profit of some \$40.8 million on sales of \$600 million. [end box]

Libya

Information Minister on Lockerbie, Israel, Al-Kikhya

94AF0275A London AL-HAWADITH in Arabic
19 Aug 94 pp 31-32

[Interview with Libyan Information Minister Ahmad Muhammad Ibrahim by Usamah 'Ajjaj; place and date not given: "West Has no Evidence of Libyan Involvement; We Have Done Our Part to End Crisis"—first two paragraphs are AL-HAWADITH introduction]

[Text] Cairo—The Libyan crisis dossier has returned to the forefront in the wake of the latest UN Security Council resolution to maintain the economic and political sanctions imposed on Libya. Two Libyan citizens are accused of involvement in blowing up a U.S. airliner over Lockerbie, Scotland, in 1988. The West wants Libya to extradite the two individuals to the British or U.S. courts for trial. But Libya is determined to reject this demand. However, it has agreed to other solutions to the crisis and has expressed great flexibility in dealing with these solutions.

This interview, conducted by AL-HAWADITH with Ahmad Muhammad Ibrahim, Libya's information minister [secretary of the General People's Congress for Information, Culture, and Mass Mobilization], a few days before the Security Council resolution was issued, touches on the Lockerbie issue and the Libyan position toward Arab and Egyptian proposals. It also touches on other aspects of this crisis that are still at a stalemate.

['Ajjaj] At the beginning of this month, the Security Council renewed the sanctions imposed on Libya. Do you think that Libya has done its part to prevent this renewal?

[Ibrahim] Libya has actually done its part to stop the escalation of sanctions, even to eliminate them. We have carried out all that has been asked of us. We say that when a suspected person is indicted, this person is presented to the court where defense arguments and evidence are submitted. The suspect remains innocent until proven guilty. By law, a sentence is issued after litigation, not before it. Even if we are convicted now, what sentence will they issue against us? We are actually serving a sentence in the form of a blockade and sanctions imposed before any Libyan citizen has been proven guilty of any crime. We doubt that they actually have evidence proving that Pan Am Flight 103 crashed as a result of a bomb. In our opinion, they are fishing around in an endeavor to influence our decisionmaking and to undermine our options, nothing more and nothing less. We have done our part toward the world community and we have listened to the advice of our brothers. We believe that if there is a rational or reasonable world, it will seek to remove the sanctions, not perpetuate them.

['Ajjaj] An idea that surfaced recently calls for handing the suspects over to Egypt. Will Egypt be a "crossing point" to another place or will they be tried in Cairo?

[Ibrahim] This is nothing new, and it isn't the first time we have said it. We have accepted a trial in principle out of our desire to show the truth and to pursue an actual solution to the problem and in order to spare the region and the world catastrophes, troubles, and crises. The world doesn't need an additional crisis or a new problem. This is why we have made the concession for the trial of the two suspects outside Libya, even though this is in violation of the Libyan law which doesn't permit extradition of suspects or their trial outside Libya. Nevertheless, Libya is prepared to hand the suspects over to Egypt to be tried there or at the headquarters of the International Court of Justice. We have made these concessions and we have made numerous initiatives. But the West's intransigence and the madness of power haven't given such initiatives the chance to succeed.

['Ajjaj] Are there more details on the latest Egyptian proposal?

[Ibrahim] The basic proposals are that examining magistrates from all sides are to submit their evidence and be given the opportunity to question the suspects anywhere in Libya or elsewhere. We have accepted this in principle. We have accepted it on the basis that the parties concerned and the suspects agree to proceed to any place that suits them. The other parties have insisted that Libya, as a state, hand over the two suspects. This [demand] is tantamount to slighting one's sovereignty, to an offense, and to an unacceptable attempt at humiliation. Well-meaning parties have intervened with their good offices and have proposed numerous alternatives, including the Egyptian proposals. We trust Egypt and President Mubarak, and we are prepared to consider the two suspects as Egyptian citizens. Details can be agreed upon afterward.

['Ajjaj] What about the Arab League proposal, i.e., trial at the headquarters of the International Court of Justice in accordance with Scottish law?

[Ibrahim] The latest moves have not been Libyan, and neither have the latest proposals. The confrontation has become an Arab confrontation with the west in wake of the Arab League's adoption of a reasonable and acceptable framework for a solution. This framework has gained the approval of 107 African, nonaligned, Arab, and Islamic UN member states. We must point out that Arab League Secretary General Dr. 'Ismat 'Abd-al-Majid has exerted extraordinary efforts. But all efforts are received frostily and intransigently, and this is disturbing.

['Ajjaj] How do you interpret the sternness France recently displayed vis-a-vis the Lockerbie issue at the seven industrial states summit?

[Ibrahim] This is regrettable. In fact, we have been relying on France, on its history, and on its culture. We have respect for France, and we have distinguished relations with Paris. But it seems that U.S. pressure has

succeeded in drawing France into the stern circle and to make it march in step with the others.

[Ajjaj] Why have Libyans failed to use the language of interests to alter the positions of some countries—Russia's position, for example, by virtue of the large debt Libya owes Moscow, and China's position also? Every time the issue is debated at the Security Council, everybody adheres to the U.S. position.

[Ibrahim] China might be a little different than the Russians who have domestic problems and crises, and they depend on the West to solve them. Consequently, it seems that the Russians have resolved to take advantage of Western aid and to espouse the positions adopted by the West. The debts Libya owes Russia are insignificant. Libya isn't indebted to anybody. The Chinese have their own position, and they always promise to support the Arab and Libyan position if the Arabs present a plan.

[Ajjaj] What do you envision as the way to break away from this infernal cycle of Arab and Libyan moves that are rejected by the West?

[Ibrahim] We believe that the world will not condone this farce indefinitely. There must be a wise or rational man who realizes that there is a problem or that there is unjustifiable clamor. There can be no indictment without evidence. There has to be a stance that calls for stemming the deterioration and for examining the issue logically. At such time, the problem will be resolved automatically because they seek nothing other than to undermine Libya's independence and sovereignty. If they had any evidence, they would have submitted it to the examining magistrates.

[Ajjaj] Does Libya possess evidence proving that other parties were involved in blowing up the U.S. plane, and are political sensitivities and considerations the reasons why it doesn't reveal this evidence? Do you think that the time has come to expose this information?

[Ibrahim] I will answer this question differently. If Libya felt, even for a single instance, that it was involved in the Lockerbie issue, would it agree to an international trial or any other trial?

[Ajjaj] Further clarification and evidence of non-involvement by Libya is needed.

[Ibrahim] The proofs are numerous. There is the determination by the German judiciary. They conducted a special investigation, after which they asserted that no bomb had arrived from Malta and then taken to the U.S. plane. The German public prosecutor said that no charge could be made against Libya. Malta has also denied Libyan involvement. Through the luggage video, it was ascertained that there had been no unaccompanied bags. The Swiss company that is said to have produced the detonator said that numerous detonators had been sold to numerous countries and circles. The company said that it couldn't determine the parties to which this type

of equipment was delivered and that Tripoli wasn't the only party to which such equipment was sold.

[Ajjaj] What about the solution to this crisis?

[Ibrahim] We are prepared for any solution. If they wish to talk and discuss matters, we are prepared for direct contracts and for contacts through other parties. We are prepared to hold a dialogue at any level and to discuss alternatives and ways to develop a solution. The issue is a legal issue fundamentally, and it should have been kept within this framework. Why politicize the issue? We are prepared for any solution to this problem, and we are prepared to meet others halfway. We have gone past halfway. But the others don't want to take a single step.

[Ajjaj] How will the relations be formulated if they persist in the same course that rejects a solution?

[Ibrahim] The crisis goes farther than Lockerbie. In 1970, we shut down and ousted eight NATO bases. Consequently, they blockaded us for 14 years and severed relations with us, and we weren't accused of Lockerbie at the time. When they bombed Tripoli and Benghazi and terrorized peaceable people, we weren't accused of downing planes. There has been an ongoing effort in the past 25 years to terrorize and intimidate Libya. We are prepared for justice, whatever its consequences. We are also prepared to confront any attempt to undermine Libya's sovereignty.

[Ajjaj] Don't you think that if Libya eases or changes its position toward Israel and the Arab-Israeli conflict, such a step could constitute an appropriate inlet to ending the Lockerbie crisis?

[Ibrahim] We will never recognize the Zionist entity ever, because it is an entity with no future, even though some brothers have recognized it and other brothers, such as the Palestinians themselves, are negotiating with the Israelis. This is a matter of difference of vision and opinion between us and numerous Arab states. We don't accept a change in our position toward Israel as the price for ending the Lockerbie crisis.

[Ajjaj] Do you think that the 25th anniversary of the 1 September revolution can be an occasion to revise some of the revolution's ideas?

[Ibrahim] The revolution was launched on constant bases and values that cannot be reconsidered or revised. We still believe that socialism is the system to ensure development of the developing countries. Social justice is the only guarantee for numerous sectors. Even though we admit that we have gained a great experience in dealing with issues throughout a quarter century, this experience hasn't affected the main causes. Our belief in Arab unity is no longer a zealous or revolutionary belief, but a belief based on logic and on profound faith that this unity is the solution to numerous Arab problems.

[Ajjaj] How true is the reiterated of Libyan support for the fundamentalist tendency in Algeria?

[Ibrahim] We haven't supported the fundamentalist tendency in Algeria or elsewhere. If there are differences with the brothers [in Algeria], they are, in my opinion, a summer cloud that will pass quickly. Difference in opinion may be needed, provided that it doesn't escalate and become a means of estrangement.

[Ajjaj] Is there anything new on the issue of Mansur al-Kikhya?

[Ibrahim] Al-Kikhya disappeared in Cairo, outside Libyan territory and in a country that interests us. We are interested in Egypt and in the Egyptian Government. Our relations are excellent. The efforts exerted in this regard are joint efforts that seek to reach the truth regarding al-Kikhya's disappearance.

Saudi Arabia

King Fahd Medical Complex Facilities Detailed

94AE0173A *London AL-MAJALLAH in Arabic*
4-10 Sep 94 pp 58-62

[Article by Mahir 'Abbas: "Largest Medical Center in Middle East Contains 5 Hospitals for Children, Women and Maternity, Medical Training, and Mental Health; Has Medical Research Center"]

[Text] The King Fahd Medical City in Riyadh, merely an idea 10 years ago, today stands as an imposing medical complex. It is the largest and most modern in the Middle East region and includes hospitals and treatment and diagnostic centers. With its completion, it becomes a new addition to the medical services offered in Saudi Arabia. This unique complex, whose construction cost 2.2 billion Saudi riyals (\$588 million), concentrates on offering the most modern medical services in the world, which used to be unavailable in the kingdom. Organ transplants will be included within its activities, and programs have been provided to carry out these kinds of operations that require top medical technology. The complex contains a wing for specialized medical research that will attempt to study the diseases most prevalent in Saudi Arabia, in cooperation with existing centers and hospitals specializing in this field, not only in Saudi Arabia but also on the world level.

Medical Training Center

This medical city has the distinction of being the Ministry of Health's first medical training center. It will concentrate on treating serious cases, such as the spine and diseases of the spinal column, bone diseases, and accident victims. It will also concentrate on preparing these victims for the aftermath of the accident.

The Ministry of Health has prepared a number of studies concerning the best ways to operate this medical facility, both technically and economically, so that it can offer the best possible health service. It will be ready to make these services available by the end of 1995, when this project will be completed.

Engineer Muhammad al-Quwayhis, the supervisor general of the Ministry of Health's public administration and maintenance, told AL-MAJALLAH that the complex will accommodate 1,400 beds and provide 5,000 medical, technological, administrative, maintenance, and operational jobs. It is the equivalent of five hospitals, based on the most modern, contemporary hospital construction systems, with each part connected to the others. The general hospital contains 459 beds, the children's hospital has 246 beds, the women's and maternity hospital has 236 beds, and the medical training hospital has 154. In addition, the psychiatric hospital, which is comprised of 163,000 square meters, was designed independently outside of the project, so that the special nature of mental health hospitals—in terms of equipment and special designs—could be taken into consideration. The designs were changed to conform to the contemporary direction of this type of hospital, in terms of patients and their ages and healthy and practical lives. It will provide them a soothing atmosphere and place to live, away from the traditional and well-known atmosphere of hospitals and medical centers. It was taken into account that the hospital should have one floor to provide its patients with areas of recreation and comfort.

City Cohesion

In designing the medical complex, consideration was given to tying four hospitals together—the general hospital, children's, maternity and women's, and the medical training hospital—by means of underground passageways, in order to facilitate travel and movement. They are also connected by aboveground bridges.

Al-Quwayhis says that the ground floors of all the hospitals in this medical complex contain emergency rooms, outpatient clinics, and departments for X rays, radioactive isotopes and ultrasonic treatment, and natural treatment. The first floors contain operating rooms, centralized care facilities, and the laboratory, while upper floors are for patients' rooms.

Amenities and Services

With regard to amenities and services, the project was planned on the basis of integrating the housing of medical, technical, and nursing crews close to the project's medical centers. Housing consists of six residential complexes, including villas and apartments. Support service buildings include water distillation and electricity units, steam generators, emergency generators, a social center, banking and postal services, a main hall for meetings and conferences, and children's playgrounds, in addition to parking lots. All the hospitals are provided with main services from the principal service center connected to them by tunnels. Connecting the project's electrical current alone cost R1.8 million, and the electricity required for the project totals 40 megawatts.

Parking lots for patients and visitors were designed for easy and comfortable access to any of the hospitals in the

complex. The lots will accommodate nearly 3,000 vehicles. The project has been connected to an integrated network of sewage, drinking water facilities, and rain water drainage.

The visitor to this unique medical city, whose construction has been fully completed, finds himself facing an integrated medical facility which, when it begins operations, will be an important cultural and health addition to the existing medical facilities currently in the kingdom.

Project Numbers

- The RBSD [expansion not given] Company signed a contract to design the project in 1978.
- Project designs were completed in 1980 and bidding began the following year, 1981.
- The Hagelin [name as transliterated] Hospital Engineering Company signed the construction contract in 1984.
- A contract was signed with the Hyundai Company the same year, 1984; its bid was the lowest of the bids submitted.
- 1,200 local products were used in constructing the project, under the supervision of the cream of Saudi engineers.
- 55 Saudi factories shared in manufacturing the materials used to construct the project.
- More than 30,000 trees and shrubs were planted in the project, and 100,000 plants were planted to cover the grounds. More than 50,000 square meters were planted with grass.
- The project's kitchen can be expanded to serve 7,000 persons.
- The project includes a mosque that will accommodate 500 worshippers, in addition to prayer rooms on the floors of the various hospitals. They are supplied with all amenities.

India

Protocol on Metallurgy Cooperation Signed With Russia

94AS0505A Calcutta *THE STATESMAN* in English
26 Aug 94 p 12

[Text] New Delhi, Aug. 25—India and Russia today signed a protocol for enhancing cooperation in the field of ferrous and non-ferrous metallurgy. The protocol was signed between the Union Steel Secretary, Mr Moosa Raza, for India and Chairman of the Russian Federation Committee on Metallurgy, Mr S. Z. Afonin, for the Russian Federation.

Russia Offers Help in Fighting Crime

94AS0503A Madras *THE HINDU* in English 2 Sep 94 p 1

[Text] Moscow, Sept. 1—Russia today expressed its readiness to fully cooperate with India in combating international crime challenging India's security and territorial integrity.

This was conveyed by the Russian Federal counter intelligence service (FSK—former KGB) Director Mr. Sergei Stepashin to the visiting Home Minister, Mr. S. B. Chavan at a meeting here.

According to sources, the two discussed the alarming aspects of international crime including illicit trade of arms, weapons grade fissile materials and narcotics as well as trans-border terrorism. Mr. Chavan arrived here on Sunday on a six-day official visit to Russia.

Addressing cadets of the Russian Interior Ministry Academy today, Mr. Chavan said the historic state borders entailed new problems and challenges.

This, he explained, was because free interstate commerce meant that advanced technologies, money and equipment were now available for criminal activities.

Faster international communications facilitated international conspiracies and criminal linkages in areas such as drug trafficking, illicit transfer of arms and money laundering, he added.

The Home Minister stressed the importance of international cooperation of the police forces and multi-dimensional approach in combating terrorism, religious extremism and separatism "which have a political motivation and very often an extra-territorial sponsor."

Mr. Chavan proposed a closer collaboration between the National Police Academy, Hyderabad and the Russian Interior Ministry Academy to enrich the process of learning in both academies and help in better equipping police forces of the two countries to meet the more complex challenges which confronted them today.—UNI [United News of India]

Iran Moots Trilateral Talks on Kashmir

94AS0509A Bombay *THE TIMES OF INDIA* in English
24 Aug 94 p 13

[Text] The Times of India News Service, New Delhi, Aug 23—After much dithering over its stand on Kashmir, Iran appears to have finally taken a categorical position that only trilateral discussions between India, Pakistan and the "true" representatives of the Kashmiris can help resolve the problem in the Valley.

This message has apparently been conveyed to New Delhi by the secretary-general of the Iranian National Security Council (NSC) and deputy speaker of its "majlis" (Parliament), Mr Hasan Rohani, who is on an official visit here.

Speaking to a group of journalists, Mr Rohani outlined this policy and also expressed his country's willingness to mediate a settlement if the three parties agreed. "The military solution is not an option," he added.

Asked who were the "true" representatives of the Kashmiris, he said it could be a grouping like the Hurriyat conference.

Mr Rohani's mission can also be viewed as a preparatory exercise for the forthcoming visit of the Iranian President, Mr Ali Akbar Hashemi Rafsanjani. But, knowledgeable sources say he is here more as a protege of Ayatollah Ali Khamenei, the leader of Iran who succeeded Imam Khomeini.

This itself underlines the authoritative nature of this policy. Mr Rohani explained that he along with another person were Ayatollah Ali Khamenei's two representatives in the NSC, a 10-member outfit which formulated the strategic guidelines for Iran's domestic and foreign policies.

Mr Rohani was guarded in his references to Pakistan, which he said represented no threat to Iran, notwithstanding its close friendship with the U.S. He was equally cautious in outlining the future of Indo-Iranian ties. However, the view from Teheran seems to be that the two countries should forge stronger ties on the economic front in the first stage and follow it up in other areas subsequently. However, in the case of "western countries," specially the United States, Mr Rohani was quite categorical that they had no role in the region and that their presence only contributed to instability. "America's presence in the region is for its own interests, rather than of the Persian Gulf States," he observed.

In response to a question, he said the U.S. "containment of Iran" policy was more of a slogan than reality. The Iranian leader dismissed as "western propaganda" reports that Mr Rafsanjani and the moderates had been marginalised by the radical elements in Iran.

Most-Favored-Nation Pact Signed With South Africa

94AS0507A *Bombay THE TIMES OF INDIA in English*
25 Aug 94 p 17

[Text] Press Trust of India, Johannesburg, August 24—India and South Africa have signed a special trade agreement, according to the most favoured nation status to each other, to promote trade.

The agreement was signed by the visiting Indian commerce minister, Mr Pranab Mukherjee and South Africa's minister of trade and industry, Mr Trevor Manuel, at the NASREC [National Exhibition Center] centre in the capital where India is holding its first trade fair in South Africa.

"The agreement imposes enormous responsibilities on us. In some ways, both our countries are going through difficult periods of modernisation of our economies. In our quest to maximise trade, we will have to be sensitive to each other's needs.

"Besides, we are placed on a solid footing to advance towards the development and formalisation of the Indian Ocean rim, potentially the world's most dynamic economic region," Mr Manuel told the distinguished gathering at the official opening ceremony of the fair.

Mr Mukherjee, in his speech, said that in order to give fillip to exports, the Indian government had encouraged foreign investment and has actively implemented special schemes like the development of free trade zones and export processing zones.

"Today, India with its developed industrial infrastructure is poised to become the base for global trade. It has an enormous market for all kinds of goods and services investors need not look further for a ready market," Mr Mukherjee said.

The commerce minister said with its low cost skilled labour and world class managerial and technical cadre, India has emerged as a source for many sophisticated goods and services. In the years to come, India and South Africa by virtue of their size and natural resources and population were bound to develop into major players, Mr Mukherjee opined.

"There are strong complementarities between our two countries and given suitable strategies they could forge strong economic bonds," Mr Mukherjee said.

In a subsequent development the UB [expansion not given] group signed two major memoranda of understanding (MoUs) with leading South African organisations—Kagiso Trust Investment Company and the Associated Paints and Chemical Industries.

Diplomats in Islamabad Harassed by Police

94AS0479A *Bombay THE SUNDAY TIMES OF INDIA in English* 7 Aug 94 pp 1, 10

[Article by Sunil Narula: "Pakistan Playing Cat and Mouse"; names as published]

[Text] New Delhi, August 6—The night of July 23-24 was a bizarre one for some Indian diplomats in Islamabad when internationally accepted conventions on the treatment of diplomats were probably violated by intimidatory behaviour of persons who could have belonged to Pakistan's intelligence agencies.

Indian journalists, including this correspondent, witnessed some of this drama. Following interviews with Indian diplomats and their families over the next few days, it became apparent that an operation had been planned carefully by the intelligence agencies.

When it was put into effect, the Pakistan foreign office was reduced to little more than a post office, which received protests from the Indian high commission, and perhaps transmitted them to the powers that be.

High-level meetings between Indian officials in Islamabad and the Pakistan government later defused the matter. But it took two days before things returned to normal.

At 2 a.m. on July 24, a convoy of Indian vehicles, followed by a van of the Islamabad police and several intelligence cars reached India House, the official residence of the Indian high commissioner, Mr Satinder Kumar Lambah.

The occupants of the Indian vehicles were some senior Indian diplomats, with their wives and children. They were in great distress.

It all began just before a dinner party at an Indian diplomat's home. About half an hour before the arrival of the guests, the host had gone to a nearby market. On his way back, he suddenly found himself surrounded by several cars and forced to stop.

Over a dozen persons, apparently intelligence operatives, roundly abused him: "Tell your people, if you touch one of our people in Delhi, we will pick up four here. Do you remember what happened to Indira Gandhi? It could happen to other Indian leaders too." Other sentiments expressed by the Pakistani group are unprintable. It went on for 10 minutes.

Outside the host's home were about 20 other people, with intelligence agency cars and motorcycles parked nearby. Even by normal standards of surveillance on Indians, this large presence was unusual.

Since the guests at the dinner were mostly Indians, the foreign office and the police were immediately informed about the "gathering" outside the house.

The foreign office only promised to look into it. The officer who was informed disappeared for the night.

Around midnight, the Indian guests started leaving. The first car, which had two Indian officers, their wives and children, was stopped outside and the officers asked to get out. The message conveyed was the same: "You touch our men, we will not leave you here."

The convoy of Indian cars, with Pakistani intelligence vehicles surrounding them, managed to reach the house of a diplomat travelling in one of the cars. It was decided that the Indians would wait there until things could be sorted out.

The police were again informed. They sent some officials in a van, who declared that there were no intelligence cars anywhere and that the Indians could leave for their homes. The Pakistan foreign secretary, Mr Najmuddin Shaikh, was contacted. After checking up, he gave a go-ahead and said the Indians could safely go. This went on for more than an hour.

As soon as the Indian vehicles once again got on to the main road, the intelligence cars materialised from nowhere. A cat and mouse game began. In driving rain they tried to drive the Indians off the road, and finally managed to stop them.

In the heavy rain the Indians missed the street on which the high commissioner lives, and drove to the first house where they found an open gate. It belonged to a Pakistani who, on being requested, summoned the police.

The van arrived after some time and escorted the Indians to Mr Lambah's house in the neighbourhood.

However, the matter did not end there. A series of phone calls to Pakistani officials—to get them to take the intelligence vehicles off the backs of the Indians—resulted in a very senior Pakistani official personally escorting the diplomats back home, well past 3 a.m.

Rao Discusses Plans for Kashmir Elections

94AS0480A Bombay *THE TIMES OF INDIA* in English 9 Aug 94 p 1

[Text] New Delhi, August 8—The Prime Minister, Mr P.V. Narasimha Rao, has indicated that it might be possible to start the electoral process in Kashmir by next March or April in view of the improving situation in the valley.

The Prime Minister, who reviewed the Kashmir situation at a high-level meeting on Saturday, advised the local administration to begin a dialogue with various organisations like the JKLF [Jammu Kashmir Liberation Front], the All-Party Hurriyat Conference and other bodies with a view to creating a congenial situation for elections.

He also wanted that the confidence-building exercise among the people be started immediately, according to official sources.

The meeting was attended by the state governor, Gen (retd) K.V. Krishna Rao, the home minister, Mr S.B. Chavan, the internal security minister, Mr Rajesh Pilot, the minister of state for external affairs, Mr Salman Khurshid, the chief of the army staff, Gen B.C. Joshi, and some top officials.

It was decided that the home ministry discuss with the chief election commissioner the possibility of starting the electoral process in the state. The delimitation of constituencies should begin in right earnest and electoral rolls prepared, it was decided.

The Prime Minister told the meeting that these steps were necessary to keep the election machinery ready so that there should be no problem at the time of the polls.

Rao Discusses Poll Schedules With Congress MPs

94AS0476A Bombay *THE TIMES OF INDIA* in English 11 Aug 94 p 1

[Text] New Delhi, August 10—The Prime Minister, Mr P.V. Narasimha Rao, has firmly ruled out a mid-term poll and appealed to the opposition to return to Parliament for a discussion to break the deadlock over the action taken report (ATR).

The Prime Minister categorically stated that there would be no mid-term poll in the country while presiding over a meeting of the executive committee of the Congress Parliamentary Party (CPP) last night, the party spokesman, Mr Chandulal Chandrakar, told newsmen here today.

Mr Chandrakar said the general elections would be held in 1996 as scheduled and indicated that these might be advanced by a month or two from June to March or April in view of the summer heat.

The opposition, he said, should not live in a fool's paradise that the Congress might go for a snap poll.

As regards the deadlock over the ATR Mr Chandrakar said, "The ball is now in the opposition's court" and it was for the opposition now to come forward with a suggestion as to how to resolve the impasse.

"We feel that the approach of the opposition would set an avoidable precedent and would, in the ultimate analysis, destroy the foundations of parliamentary democracy in India," a resolution adopted by the executive committee said.

So far the opposition has failed to come out with a "concrete suggestion" to resolve the ATR impasse, he remarked.

"Why should we go for a mid-term poll now that we are in a majority in the house," Mr Chandrakar asked and said that the opposition should take steps after considering all aspects of the situation.

The executive committee "is deeply concerned at the boycott by certain opposition parties of the parliamentary proceedings," the resolution said.

While the members might have certain points of view with regard to the ATR, the correct approach would be to examine all these through discussion and debate in

Parliament, the resolution said, adding, "The government has already displayed its willingness to adapt itself to reasonable suggestions."

"We appeal to the opposition to withdraw the boycott and participate actively in the vital issues of national interest being debated in Parliament," it said.

The executive committee extended wholehearted support to the leadership of Mr Narasimha Rao.

Rao Independence Day Speeches Reported, Analyzed

Broadcast to Armed Forces

94AS0496A Hyderabad DECCAN CHRONICLE in English
15 Aug 94 p 1

[Quotation marks as published]

[Text] New Delhi, Aug. 14 (PTI): The Prime Minister, Mr. P.V. Narasimha Rao, on Sunday said India wanted a 'purposeful and meaningful' talks with Pakistan to settle differences between the two countries on the basis of the Shimla Agreement.

"But there has been no response from Pakistan, which unfortunately is not slowing down its abettment of terrorism in India," Mr. Narasimha Rao said in his broadcast to the Armed Forces on the eve of the Independence Day.

The Prime Minister said India would reply with all its might to foil the designs of Pakistan to weaken the country through abettment of terrorism and "wean us away from the task of economic and social uplift of the people."

Applauding the jawans and people of Jammu and Kashmir for giving a befitting reply to Pakistani designs, Mr. Narasimha Rao said though there had been some improvement in situation in the State, complete normalcy had not yet been restored.

The Prime Minister told the Armed Forces that in the country's thrust towards economic development and social justice, there would be elements which would try to sabotage the endeavour and it should be "our resolve" to nip these conspiracies in the bud.

Appreciating the efforts of the jawans in foiling the machinations and designs from across the border, Mr. Rao said the forces had the complete and unflinching confidence of the nation in their task of guarding the border from the dizzy heights of Siachen glacier to impenetrable jungles of the North East.

Mr. Narasimha Rao said it was an issue of "national pride" that Indian Armed Forces had won acclaim during their peace-keeping operations in Somalia and that their work had been appreciated the world over and by people of Somalia also.

He said it was only at the time of dangers to the country's borders, or militancy that the Armed Forces rose to the

occasion, but had contributed immensely during natural disasters like the Maharashtra earthquake, Bombay blasts and more recently during flood relief operation in Orissa and other parts of the country.

Speech to Nation

94AS0496B Bombay THE TIMES OF INDIA in English
16 Aug 94 pp 1, 11

[Excerpt] Agencies

New Delhi, August 15. The Prime Minister, Mr. P.V. Narasimha Rao, today declared that the nation's "unfinished task" was to regain Pakistan occupied Kashmir (PoK), asserted Kashmir will remain an integral part of India and firmly told Islamabad to keep its hands off the Valley and stop sponsoring terrorism there.

In his 55-minute address at 7.35 a.m. on the 48th Independence Day, Mr. Rao countered the Pakistani Premier, Ms. Benazir Bhutto's claim that the process of partition was incomplete without a settlement of the Kashmir dispute, saying: "The only unfinished task is to get back PoK".

Speaking from behind a bullet-proof shield from the ramparts of historic Red Fort, Mr. Rao minced no words in blaming Islamabad for aiding, abetting and instigating terrorism in the Valley.

Asserting that Kashmir would remain an integral part of India "with, without or in spite of Pakistan", the Prime Minister said any further interference by Islamabad would be firmly thwarted.

Mr. Rao regretted that Pakistan had spurned India's offer to normalise relations through dialogue under the Shimla accord.

Making it clear that India would not go back on its missile programme, he regretted that an unnecessary hue and cry was being raised over experimentation of such weapons by the country, whereas Pakistan had already made on-the-shelf purchases.

Mr. Rao dwelt at length on Indo-Pak ties, initiation of the electoral process in the Valley, announced new schemes for children and minorities, revamping of the public distribution system and more welfare for women.

The Pakistan high commissioner, Mr. Riaz Khokhar, was among the large gathering of dignitaries and diplomatic corps who were present.

Apparently referring to the Ms. Benazir Bhutto's Independence Day speech yesterday, Mr. Rao said no further evidence was necessary "after August 14, 1994" to prove that Islamabad was instigating terrorism in Kashmir.

Stating that some countries were saying that Pakistan was earlier supporting terrorism in India and had stopped it now, Mr. Rao said, "I now ask our friendly

countries as to what more evidence they require about Pakistan's involvement. Do they have any doubts about Pakistan's involvement".

Referring to the government's efforts to restore normalcy in Kashmir, the Prime Minister said: "We are heading towards elections in Kashmir" but did not give any time-frame saying it could lead to escalation of terrorist activities in the troubled state.

He said revision of the electoral rolls was in progress and the delimitation process would be taken up shortly. "We are moving in the right direction and nothing can deflect us from our goal," Mr. Rao asserted.

The process of developmental activities had been started in Kashmir and the administration had been toned up, the Prime Minister said, adding that the fear of the gun, which was affecting the morale of the government employees, was being removed.

Listing out the professions of the majority of people who were falling victims to terrorist bullets, Mr. Rao said these included intellectuals, lawyers, doctors and religious leaders and asked the international community to "realise who is violating human rights".

On foreign relations, Mr. Rao said India had good relations with all its neighbours except Pakistan. "We have blood relations with Pakistan and hence should sit together and sort out matters on the basis of the Shimla agreement," he said.

"We can strengthen our economic ties through SAARC (South Asian Association for Regional Cooperation)", he said, regretting that Pakistan was harping on the Kashmir issue and its efforts to raise it at various international fora had become a joke.

Speaking on the liberalisation process initiated by his government, Mr. Rao said foreign investors were assured of India's solvency and were eager to invest even in key and sensitive sectors. However, he allayed fears that growing foreign investments would in anyway affect India's economic sovereignty.

Asserting that the economic situation had improved dramatically during the last three years, Mr. Rao said India had not only notched up Rs [Rupees] 51,000 crores as foreign reserves from Rs 3,000 crores when he took over, it had also begun returning the loans taken from world financial bodies.

Eighty per cent of the foreign investment would be joint ventures, he said, adding that foreign investment in key sectors would also generate vast employment potential.

Stating that the world had undergone tumultuous changes in the recent past, Mr. Rao said India was trying to keep pace with it keeping in mind the high ideals laid down by the founding fathers of the nation.

Mr. Rao said the country was now self-sufficient in foodgrains and the government was planning to distribute large amounts for the benefit of children.

On the efforts to maintain law and order, Mr. Rao said the Rapid Action Force, which was started with five battalions, now had ten and was deployed in several sensitive cities.

He claimed that during the three years of his government, the situation in Punjab had normalised and that in the north-east had looked up, barring scattered incidents of tribal tension. [passage omitted]

Analyst's Comment

94AS0496C Bombay THE TIMES OF INDIA in English
16 Aug 94 pp 1, 11

[Article by Manoj Joshi]

[Text] The Times of India News Service

New Delhi, August 15. There was a celebratory tone in the Prime Minister, Mr. P.V. Narasimha Rao's speech to the nation—a celebration of Independence Day, as well as that of his own leadership of the nation.

The speech was different in tone and content to the one he delivered just a month ago to mark his three years in office. Instead of what a person close to the Prime Minister described it as a "cathartic" lecture, the one today was a coherent adumbration of Mr. Rao's policies.

While he commented on a range of issues, what was striking was a prime ministerial assertion that things were better in Kashmir and a confirmation that relations between India and Pakistan are in pretty bad shape.

The Prime Minister's assertion that India would seek to liberate areas of Kashmir which are occupied by Pakistan was at one level part of a line-by-line rebuttal of the Pakistan Prime Minister, Ms. Benazir Bhutto's comments on the same subject at Pakistan's independence day yesterday.

But it also marks the first time—in recent years, at least—that an Indian Prime Minister's emphasis on what is at one level an official policy. On the other hand, it also underlines India's exasperation over Pakistan's obsession with Kashmir.

Mr. Rao's attitude may be linked to his current supremacy within his party, the improved economic prospects of the nation, as well as what he believes is his triumphant trilateral diplomacy, underlined by his visits to China, Russia and the U.S., which has not only enhanced India's status in the world but appears to have improved its security perceptions as well.

The thrust of the Prime Minister's remarks on foreign relations were: we wish to have friendly relations with all the nations of the world. However, if there are nations like Pakistan wanting to pick a fight, India will not back off.

Its almost aggressive defence of India's Kashmir policy is a mark of the stabilisation of the situation in the Valley, as well as an increased isolation of Pakistan, which seeks

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to internationalise the issue even as it continues to aid rebels fighting against Indian rule there.

Mr. Rao's detailed references to the revision of electoral rolls and delimitation of constituencies in the Valley is, as he noted, the clearest sign of the direction Indian policy there is headed: towards elections.

A certain clarity was reflected in his remarks on defence and in his contention that given India's size, its defence spending was minimal. He asserted that his government would not stint on any effort, fiscal or otherwise, to equip the defence forces adequately for ensuring the security and sovereignty of the country.

It was "unjust", Mr. Rao noted, to compare India's defence needs with those of a "small" nation. The bottom-line, he pointed out, was that in a changing world there were still people whose "ill-intentions" had not changed.

In an oblique reference to the discussions that he had with the U.S. President, Mr. Bill Clinton, the Prime Minister emphasised that no other country could assess India's needs.

Mr. Rao's references to the "unwarranted hue and cry" about India's experimenting with missiles while Pakistan had acquired them "off-the-shelf" also had an new element of public bluntness.

When combined with the announcement of various measures for generating employment, social uplift and protection of minorities, the tough talk on defence and on Kashmir may appear to mark the beginning of an election campaign season.

But the Prime Minister's uncommonly tough references to tackling Pakistani interference in the Valley and to the wider aspects of India's defence appears to mark a point of departure for the Rao government, which has been hesitant and even diffident in publicly articulating its views on these subjects.

President's Rule in Jammu and Kashmir Extended

94AS0475A Madras THE HINDU in English 11 Aug 94 p 1

[Text] New Delhi, Aug. 10—Parliament today approved extension of President's rule in Jammu and Kashmir by another six months from September 3, with the Home Minister, Mr S.B. Chavan, appealing to political parties to rise above their differences and work for winning the trust of the people.

The Minister, replying to a discussion on a statutory resolution to this effect in the Rajya Sabha, said there was a sea-change in people's attitude towards the militants. "We will have to take full advantage of it to create an atmosphere conducive for restoration of the democratic process in the State."

The House later approved the resolution by voice vote, which has already been passed by the Lower House. Mr.

Chavan asserted that the Centre would adopt the "soft approach" in dealing with the situation in the State and if this did not yield results, it would not hesitate to exercise the hard option.

The Home Minister said the Centre was all for holding free and fair elections in the State at the earliest to have a Government of the people's choice. He utilised the occasion to make it clear that no one would be imposed on the State from the Centre.

The Opposition sharply attacked the Government for its failure in "tapping" the growing anti-militancy feelings in the Valley and wondered how in the absence of any political activity it proposed to restore the democratic process in the State.

Participating in the discussion, the Opposition members, Mr. S. Muthumani (AIADMK [All India Anna Dravida Munnetra Kazhagam]) and Mr. Ish Dutt Yadav (Samajwadi Party) flayed the repeated recourse to bureaucratic rule being taken by the Centre.

They demanded that the Centre come out with bold steps to hold early elections in the State.—PTI

Parliament Approves Tamil Nadu Reservation Act

94AS0504A Madras THE HINDU in English 26 Aug 94 p 1

[Text] New Delhi, Aug. 25—With the Lok Sabha today approving the Constitution (85th Amendment) Bill, Parliament has extended legal immunity to the Tamil Nadu Reservation Act, providing for 69 percent reservations in jobs and educational institutions in the State. The Bill, passed by the Rajya Sabha yesterday, puts the Tamil Nadu law in the Ninth Schedule of the Constitution, and thus beyond the pale of judicial review.

However, several Opposition members were not sure if the measure was "100 percent" foolproof, as the CPI [Communist Party of India] leader, Mr. Indrajit Gupta put it. His apprehension was that the Supreme Court could "intervene" if it felt "affronted" by Parliament's attempt to circumvent its ruling that reservations should not exceed 50 percent. Wondering if the move was "really watertight," he urged the Government to tell the House what "exactly are we legislating."

His fears were shared by Mr. Buta Singh (Congress-I) and the Janata Dal(G) leaders Mr. Chandrajit Yadav and Mr. Syed Shahabuddin who argued that the Supreme Court's ruling emanated from a case involving larger issues some of which were still pending before it. The legal dimensions of the legislation needed to be considered, lest it should later be struck down by the court, they pointed out.

No Dissenting Voice

After a nearly two-hour discussion, during which the Opposition demanded a comprehensive constitutional amendment on reservations for all states, the House approved the Bill without a single dissenting voice. The

impressive voting figure—all the 348 members present at the time of the division voting for the Bill—did not reflect the misgivings expressed by almost all Opposition members about the Government's "intentions" to give social justice to the weaker sections.

The Union Welfare Minister, Mr. Sitaram Kesri, responding to the points raised during the discussion, hinted that if under similar conditions if other states came forward with the Tamil Nadu type of legislation—envisaging more than 50 percent reservations—the Centre would seriously consider them. Indirectly, he let it be known that other states could successfully emulate the Tamil Nadu "model." He told the more vocal supporters of "social justice" that instead of concentrating all their fire on the floor of the House they should raise their voice outside and mobilise opinion in support of measures intended to help the weaker sections.

Earlier, the Opposition while supporting the Bill used the occasion to accuse the Government of not being serious about raising the status of the disadvantaged sections.

The political will needed to give them a share in power was lacking, the Government should formulate a more coherent policy for the upliftment of the backward classes, and "piecemeal" measures such as the Constitution Amendment Bill would not do in the long run.

The Janata Dal leader, Mr. Ram Vilas Paswan told Mr. Kesri to "stop dangling lollipops" and come forward with a comprehensive bill. He suggested amendment to Articles 15 (4) and 16 (4) of the Constitution, thus allowing each state to fix its own reservation quota depending on its perceived need.

In the event, a bill which according to the original understanding was supposed to have been passed without discussion ended up generating a fullfledged debate, minus of course the acrimony that often accompanies contentious issues.

MPs Oppose Entry of Foreign Newspapers

94AS0508A Bangalore DECCAN HERALD in English
24 Aug 94 p 6

[Text] Members from both sides in the Lok Sabha registered their strong opposition to the entry of foreign newspapers in the country.

After the members expressed their resentment, Speaker Shivraj Patil wanted the Government to respond.

In the absence of the Parliamentary Affairs Minister, Chemicals and Fertilisers Minister of State Eduardo Faleiro said there was no case for bringing in foreign newspapers. Public opinion in the country should be articulated by the public of the country, he said, stating that this was a general proposition. However, he said, he was not aware of any specific proposal. He said he would bring the matter to the attention of the Information and Broadcasting Minister, who might like to respond.

Raising the issue during zero hour, former prime minister Chandra Shekhar said a Cabinet committee on the entry of foreign newspapers would meet on August 25 to take a decision, according to a newspaper report today. He apprehended that the Government was under pressure to clear entry of foreign newspapers to India.

Nehru Was Opposed

Mr Chandra Shekhar recalled that in 1955 a Cabinet meeting presided over by Jawaharlal Nehru had decided against the entry of foreign newspapers. Only THE STATESMAN was allowed to continue its publication in the country, he pointed out.

He wanted the Government to discuss the issue with media people and not with newspaper owners, who, he said, were vying with each other to bring in foreign media.

Foreign newspapers and journals would adversely affect the culture and freedom of expression in the country, he said. He wanted the chair to direct the Government not to allow the entry of foreign newspapers. He also sought a discussion on the issue in the House.

Supporting him, former Lok Sabha speaker Rabi Ray (JD [Janata Dal]) said the Information and Broadcasting Minister had assured in a reply that foreign newspapers would not be allowed. Entry of foreign newspapers would be an invasion on the country's culture, traditions and legacy. He also recalled the great contributions of journalists to the country's freedom struggle.

Mr Rabi Ray wanted to know whether the Government was under pressure to allow foreign newspapers.

Mr Chandulal Chandrakar (Cong-I) said this was a serious question. The standard of Indian newspapers was comparable with any other country, he said.

At present Indian newspapers were selling at Rs. 1.50 per copy, but foreign papers would be able to sell at the rate of 50 paise, he said.

Foreign newspapers would create a bad environment in the country, he apprehended.

Mr Somnath Chatterjee (CPM [Communist Party of India-Marxist]) said the standard of Indian journalism was much superior to foreign journalism which was mainly sensationalism and yellow journalism. Despite pressure from owners, Indian journalists maintained a very high standard, he said.

Mr Loknath Chatterjee (CPI [Communist Party of India]) said the entry of foreign newspapers would be very dangerous to Indian heritage. They have no human aspect and this should be kept in mind, he added.

In the Rajya Sabha where members demanded that the Government should not take a unilateral decision and Parliament should be consulted on the issue.

Mr M. A. Baby (CPM) who raised the issue during zero hour, was supported by Mr I. K. Gujral (JD), Mr Satish Agarwal (BJP [Bharatiya Janata Party]) and Mrs Veena Verma (Cong-I). They said the India media was competent and had done a good job of informing and enlightening the Indian people on various issues.

Jharkhand Organs Shelve Separate State Declaration

94AS0494A *Calcutta THE STATESMAN in English*
17 Aug 94 p 1

[Text] Ranchi, Aug. 16—The Jharkhand Mukti Morcha [JMM] and the Jharkhand People's Party [JPP] shelved their declaration of a separate state yesterday.

This was apparently done because of the presence of the Union Minister of State for Internal Security, Mr. Rajesh Pilot, who arrived from New Delhi to address the Lok Sansad, convened by the JMM and the JPP.

(According to PTI [Press Trust of India], Mr. Pilot announced that the Centre would exercise its constitutional powers to administer a Jharkhand Autonomous Council [JAC] if the Bihar Government failed to produce a new Bill before September 10.

The JMM welcomed Mr. Pilot's announcement, saying that given the Centre's seriousness in tackling the Jharkhand problem, the JAC could be implemented without further delay.

However, the general secretary of the All-Jharkhand Students' Union, Mr. Suraj Singh Besra, called Mr. Pilot's assurance a "political gimmick".

He alleged that the assurance was a conspiracy involving the Centre, the State Government and JMM leaders to mislead the tribals.)

Earlier, Mr. Pilot told the JMM convention that the Centre was "serious" about the formation of the JAC. It had been the Congress(I)'s policy, he said, to favour autonomy for certain regions in the country to facilitate their development.

He pointed out that in keeping with this, the Centre had granted such councils to Gorkhaland and Bodoland.

He warned the Bihar Chief Minister, Mr. Laloo Prasad Yadav, of dire consequences if he did not act upon the commitment he had reportedly given to the Prime Minister last week.

Meanwhile, Congress(I) activists voiced their protest over the Centre's handling of the situation by attempting to prevent Mr. Pilot from attending the meeting.

According to them, any declaration by the Centre had to be made at the Congress(I) forum, not at a non-Congress(I) meeting.

Northeast Deemed Melting Pot for Insurgents

94AS0482A *Calcutta THE STATESMAN in English*
8 Aug 94 p 1

[Article by Arup Ghosh: "Northeast Simmering Melting Pot for Trans-Border Insurgents: Intelligence"; names as published]

[Text] New Delhi, Aug. 7—The security balance in the north-eastern States is likely to worsen with the increasing movement of insurgent groups from Myanmar into India. To that is added the fact that Bangladesh continues to support insurgency operations.

A report reviewing the situation in the north-eastern States has been prepared on the basis of reports of Intelligence agencies and security forces. It says that there has been a surreptitious movement of insurgent groups towards India.

According to the report:

- There does not appear to be any immediate threat from Myanmar with the Myanmar Army sporadically coming down on the National Socialist Council of Nagaland-Khaplang (NSCN-K) insurgents and its supporting population.
- Arms are being procured from Thailand and brought to Bangladesh for onward movement to various States in India. These weapons are moved either through the Assam-Bangladesh border or through Myanmar after a circuitous route along the Mizoram-Myanmar border.

Home Ministry sources told THE STATESMAN that Assam remained the focal point of the north-eastern region.

Nothing much has been achieved although the ULFA [United Liberation Front of Assam] has been divided. It is only the presence of the Army which has deterred the ULFA from resuming its operations on a large scale with the ultimate objective of ensuring Assam's secession from India, sources said.

- There are a large number of ULFA militants who are being trained in camps in Myanmar and Bangladesh. They are under some pressure in Myanmar from its Army, but that has not stopped their training operations.

Neither has it snapped its connexion with the NSCN-K, while establishing contacts with the NSCN (Isac-Muivah) faction. It is also connected with the Bodo Security Force, the United Peoples Volunteers of Arunachal (UPVA) and the Autonomous State Demands Committee in Assam.

- These connexions suggest that the movement of ULFA cadres to and from Myanmar and Bangladesh will continue.

They will also lend support to other insurgent groups in the North-East. The Bodo movement, which has become

violent once again, is considered dangerous because it might cut off communications between the North-East and rest of the country. Besides, it has been confirmed that the Bodo extremists are linked with the NSCN(I) and the UPVA.

- The hill districts of Karbi and Anglong are likely to face problems. The whole of Assam may be in turmoil over the next decade.
- Nagaland is witnessing a tussle among the insurgent groups for dominance in different areas. The NSCN(K) is under pressure from the Myanmar Army.

Faced with an acute shortage of funds and rations, it has parted company with the Nagaland National Council (NNC). There may be a spurt in their activity against the security forces and opposing groups in northern and central Nagaland.

Both the Khodao and Adino groups in the NNC are trying to increase their influence in central Nagaland. They have parted company with the NSCN(K), and with the killing of 11 of their cadre on August 14, 1992, there is a virtual war with the NSCN(I).

Manipur is facing problems due to its proximity to the India-Myanmar border and the limited deployment of security forces. Ethnic tension prevails with the Kukis and Anal Nagas challenging the supremacy of the Tangkhuls.

Mizoram is the only State in this region which has been largely peaceful. Only the Hmar-dominated areas, falling in three different stretches, have been witnessing extortion to fuel separatist operations.

With the thinning out of the Army from the North-East, the problem of checking the flow of weapons may increase.

Congress(I) Organizational Polls in 1995

94AS0483A Calcutta THE STATESMAN in English
8 Aug 94 p 6

[Excerpt] Faizabad, Aug. 7—The Congress(I) would conduct its organizational elections in March, 1995, the former M.P. [member of Parliament] and AICC(I) [All India Congress Committee-I] observer, Mr Surendra Singh Thakur, said, reports PTI. [passage omitted]

Congress Launches Countrywide Enrollment Drive

94AS0478A Bombay THE TIMES OF INDIA in English
10 Aug 94 p 17

[Names as published]

[Text] New Delhi, Aug 9—The Congress today launched a massive enrolment drive in villages across the country to coincide with the anniversary of the "Quit India movement."

Talking to reporters here, the AICC [All India Congress Committee] general secretary, Mr Janardhana Poojary, said Congressmen in all states visited nearly 150,000 villages till this afternoon to enrol new members. He said nearly 300,000 villages were proposed to be covered by the party by this evening.

"We plan to cover all the 570,000 villages under the new enrolment drive, which concludes on December 31, this year. The organisational elections, as already announced will be held next year, he said.

The enrolment drive is being considered significant in political circles here since as many as 10 states are scheduled to go to polls in the next one year.

Mr Poojary said the reponse to the enrolment drive has been "beyond our expectations" in most of the states.

However, Mr Poojary said, the response was not up to the mark in Jammu and Kashmir, due to militancy, and Kerala, because of floods. "There has been a tremendous enthusiasm among the people in Uttar Pradesh and Bihar," he said replying to a question.

He said the Prime Minister, Mr P.V. Narasimha Rao, was earlier scheduled to launch the membership drive in a village adjoining Delhi this morning.

An exemption has now been made in the case of Central ministers and MPs [members of parliament] for visiting one district in their respective constituencies to launch the enrolment drive after the ongoing session of Parliament. The ministers and MPs will participate in the enrolment drive on September 1.

Mr Poojary said in accordance with party rules, each active member would contribute Re 1 per month to the party fund if his or her monthly income was Rs 500 and one percent of his or her monthly income if it was more than Rs 500.

He said party rules were compulsorily applicable to each active member. "Anybody who fails to pay one percent of his/her income along with the membership forms will not be eligible for active membership," he said.

Mr Poojary said 50 percent of the amount received through the enrolment drive would be reserved for the central election fund. Twenty-five percent of the collection would go to the AICC, 12.5 percent to the Pradesh Congress committee and the remaining 12.5 percent to the district Congress committee. The district level funds would be deposited in the name of the district Congress committee president and the AICC general secretary in charge of the state. "This money will be used exclusively for the Lok Sabha and assembly elections."

Mr Poojary said all Central ministers, including the Prime Minister, would also have to submit their income certificates for contributing to the party fund as its active member.

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Congress(I) Interparty Rivalries Sharpen Before Polls

94AS0506A Bangalore DECCAN HERALD in English
24 Aug 94 p 9

[Text] DH News Service, New Delhi, Aug 23—Within a month after the successful Congress(I) rally at the Red Fort Maidan, intra-party rivalries have once again sharpened in states like Bihar, Gujarat, Andhra Pradesh, Orissa and Maharashtra, all of which are on the threshold of Assembly elections.

At a time when the party leadership has sought to unify various warring factions in these states by, among other means, asking partymen to launch a pre-election campaign through a vigorous membership enrollment drive, the rise of dissidence has begun to worry the party leadership.

Even as party president and Prime Minister P. V. Narasimha Rao is perceived to have emerged stronger and a leader in his own right, following the last month's rally, he appears to be wary of taking strong-arm measures to quell dissidence in these states at this delicate juncture. Whereas, he has moved against some party dissidents in states like Punjab and Tamil Nadu, where no elections are expected for the next two years. Expulsion of six Congress(I) MLAs [members of Legislative Assembly] from the party primary membership in TN [Tamil Nadu] and suspension from active membership of a party MP [Member of Parliament] in the Lok Sabha, Jagmeet Singh Brar, are, however, seen as a warning to dissidents elsewhere.

Excepting the case of Gujarat Congress(I) and Maharashtra, the current phase of infighting is dictated by the expectations that even at this stage the party leadership might act on the recommendations of the committees set up earlier for revamping PCCs [Pradesh Congress Committees]. The pro- and anti-Dr Jagannath Mishra camps in Bihar have spared no efforts to attack each during and after the visit to Patna of a team of senior party leaders led by the AICC(I) [All-India Congress Committee-I] General Secretary in-charge of the state, Sushil Kumar Shinde.

Dr Mishra, who had recently acted as Mr Rao's emissary to effect a patch-up between warring factions in Karnataka and Gujarat, himself turned a dissident and questioned the teams visit to the state capital without consulting the PCC(I) leadership loyal to him. The real contention is about controlling the party apparatus for distribution of party tickets in the ensuing Assembly elections.

The Orissa factional divide is also on the similar line, with detractors of former Chief Minister J. B. Patnaik seeking to loosen the latter's hold over the PCC(I) set up. The recent visit of a high-powered central team for weighing the pros and cons of revamping the PCC(I) has merely added substance to rival activities.

In the home state of Mr Rao, Chief Minister Vijaya Bhaskara Reddy continues to face challenges from his arch rival, Y. S. Rajasekhara Reddy, MP, whom the former had targeted for disciplinary action for a long time, though without success.

Besides challenges from the Rajasekhara Reddy faction, the state Congress(I) is also burdened by a weak PCC(I) chief, Majji Tulasi Das. The high command's repeated hints at replacing Mr Tulasidas has only compounded intra-party dissensions on caste lines. As a result, neither the leadership has been able to install a strong PCC(I) president nor bring about a much needed rapprochement among senior leaders to take on the resurgent Telugu Desam.

The erstwhile Janata Dal(G) faction in the Gujarat Congress(I) continues to be apprehensive of its position as the elections approach. Although they dominate the Chhabildas ministry, many MLAs belonging to the faction fear they might be denied re-nomination in spite of an assurance by Mr Rao a couple of months ago. Some of them have begun airing their views publicly, effecting the party cohesiveness and leading to speculations about possibilities of some defections to the BJP [Bharatiya Janata Party] on the eve of the elections.

Moreover, the party is yet to define a role for former Chief Minister Madhav Sinh Solanki, who is not yet reconciled to his marginalisation in the state politics.

Janata Dal Executive Meets, Resolutions Passed

94AS0481A Madras THE HINDU in English
8 Aug 94 p 13

[Names as published]

[Text] New Delhi, Aug. 7—From now to early September the Janata Dal leaders will tour different parts of the country to campaign among the people on economic issues and corruption. This decision was part of the action programme adopted by the party's national executive committee meeting here today.

Mr. V.P. Singh will go to Bombay, Mr. Paswan and Mr. Sharad Yadav will tour Uttar Pradesh, Rajasthan and Madhya Pradesh, Mr. Laloo Prasad Yadav will hold meetings in Assam and Bengal and Mr. Jaipal Reddy will go to Bihar.

The party also adopted an economic resolution which attacked the "disastrous policies of liberalisation, privatisation and globalisation" of the Narasimha Rao Government. Besides, the leaders would explain to the people the reasons for the Opposition demand for withdrawal of the Action Taken Report on the JPC's [joint parliamentary committee] recommendations on the securities scam.

Several leaders dwelt on the party's organisational weakness—Mr. V.P. Singh reportedly said the party should

demand action taken reports on various decisions taken and different resolutions adopted by the party.

The executive decided to complete organisational work in the next one month and a five-member committee to be chaired by Mr. Ram Vilas Paswan was announced. The different vacancies at the State and Central level would be filled up in the next one month, well before the Assembly elections in November.

The action programme envisaged State-level rallies, youth and student conventions—the party demanded a national youth policy—and district-level dharnas against corruption, GATT [General Agreement on Tariffs and Trade] and other economic issues.

During the public campaign the Janata Dal would also take up the issue of reservation, especially the question of the “creamy layer.” The party would bring up the issue of promotions for the Scheduled Castes and Scheduled Tribes and problems related to the Supreme Court verdict in the Mandal case.

In his address to the executive, Mr. V.P. Singh stressed that *samajik nyay* (social justice) was still the major political issue before the country, and the mandir issue was virtually dead. The policies of the Janata Dal, the leaders said, were as relevant as before. The next round of elections would be the real test for the party.

The political resolution is expected to be released tomorrow. During the discussions today the Bahujan Samaj Party and the Samajawadi Party came in for sharp criticism and the party dwelt on the issues that forced it to support the Mulayam Singh Government.

Akali Dal-Amritsar Opens Membership to Non-Sikhs

94AS0497A Calcutta THE STATESMAN in English
13 Aug 94 p 6

[Names as published]

[Text] Chandigarh, Aug. 12.—In a major policy change, the Akali Dal (Amritsar) has thrown open its membership to non-Sikhs, reports UNI [United News of India].

This was stated here today by the party leader, Mr. Prem Singh Chandumajra, while briefing reporters on the deliberations of the party's central election meeting held here last night.

Mr. Chandumajra said the amity between Hindus and Sikhs was centuries old and had not been affected even in the worst circumstances like “Operation Bluestar” and the Delhi riots.

The Akali Dal (Badal), too, had recently adopted a resolution on enrolling non-Sikhs as party members.

Barring the Akali Dal (Longowal), all other constituents of the Akali Dal (Amritsar) had earlier banned regular membership to non-Sikhs.

Mr. Chandumajra said his party had so far disbursed 3.5 million enrolment forms and about 500,000 more were needed. He said though the Akali Dal (Amritsar) had many grouses against the Akali Dal (Badal), “the real enemy of the Akalis is the Congress(I).”

Army Forming New Elite Special Forces Unit

94AS0495A Bombay THE TIMES OF INDIA in English
16 Aug 94 p 9

[Article by Manoj Joshi]

[Text] The Times of India News Service—New Delhi, August 15. The Indian Army is in the process of reconstituting its elite para-commando battalions into a new Special Forces unit. “Everyone is a commando these days,” said one grizzled veteran. Referring to the Delhi Police and the Punjab Police, he said, “it's time we decided to change our name.”

The Special Forces will be the elite unit of the army. “We will however follow the British tradition and avoid publicity of any kind,” observed a senior officer who was involved in planning the new force. He was hinting at the penchant for publicity among the American special forces units in contrast to the almost obsessive secrecy surrounding the British forces, the Special Air Services (SAS) and the even less-known Special Boat Squadron (SBS).

The core of the Indian Army special forces which will function as an autonomous formation under the Army Headquarters, will be the 1, 9 and 10 para-commando battalions, though additional forces will be raised as well. The para-commandos were created between 1965 and 1971. The last named commanded by the Maharajah of Jaipur, Mr. Bhavani Singh, earned laurels in trans-border operations in the Rajasthan sector during the 1971 war. Legend has it that the success was based on the support given by the awed peasantry in the Pakistani part of the desert to their erstwhile Maharajah.

This is a good example of the way that special forces can be used. Thereafter the commandos served with distinction in the Sri Lanka operations though some feel they were “overused as super-infantry.” Other units have also served in Kashmir to launch strikes against remote villages dominated by the militants.

The highly-specialised force will be equipped with special weapons and advanced technology systems to observe at very close ranges without being seen, to communicate through reliable systems, and to fight at close quarters. Though technology will form an important element of the forces, a very high level of physical fitness and basic military skills will form their core curriculum.

The army has specialised units like the Ladakh or Kumaon scouts, and there is some worry that there may be a temptation to give the special forces tasks that can be done by the infantry as such. “If we are not careful,”

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notes one officer," we will be taking the best officers away from the infantry into these special units, and giving them tasks that can best be handled by the infantry [quotation marks as published].

The special forces are an outcome of the belief that India is likely to face more threats from low intensity conflicts rather than general war. Some of these conflicts will require skilled operations by specialised units. Though such forces will have a role in regular combat situations, their real value is in handling peacetime operations, which the police force and the conventional military cannot handle because of political reasons. But such forces can assume unconventional roles in conventional conflicts as well.

According to reports, SAS personnel had already infiltrated Iraq in the 1991 Gulf War and set up observation posts for guiding western air forces to Iraqi targets.

India does have one other special forces unit, the Special Frontier Force (SFF) which is under the control of the Research and Analysis Wing (RAW), the country's external intelligence arm, even though it is manned and officered by the army. This force is the successor of the "Establishment 22" or 22 Force set up by the CIA in the 1950s comprising of Khampa Tibetans for sabotage operations in Tibet.

Writer Tells Concern Over Parliament Troubles

94AS0477A Calcutta THE STATESMAN in English
10 Aug 94 p 8

[Article by A. G. Noorani: "Probes by JPC: The Culture of Non-Accountability"; names as published]

[Text] The prolonged stand-off between the Opposition and the Government over the latter's disgraceful response to a unanimous report by an all-party Joint Committee of Parliament took a heavy toll of parliamentary norms. What is of no less concern than the Government's behaviour is its attempt to question the function and authority of a parliamentary committee as an investigating body and, no less, the principle of Ministers' accountability to the nation once such a body has pronounced against them.

These issues need not have arisen if the Government had tackled the matter differently. The Prime Minister, Mr P.V. Narasimha Rao, has only his Minister for Parliamentary Affairs, Mr V.C. Shukla, to thank for the mess in which he landed the Government by his crass ineptness and indiscretions. He pitched the case higher than was necessary and propounded propositions that were not necessary to sustain the Government's case, such as it was. The result was sheer aggravation of the dispute. What concerns the nation now is the attack on a time-honoured institution, the parliamentary committee.

SHORT ANSWER

It is puerile to suggest that, in our parliamentary system, committees of Parliament are not investigative agencies

and, in any case, cannot sit in judgment on the conduct of Ministers. The short answer to this lies in the motion for the appointment of the Joint Committee to inquire into irregularities in securities and banking transactions adopted by the Lok Sabha on August 6, 1992, and by the Rajya Sabha the next day.

The first of its terms of reference was "to go into the irregularities and fraudulent manipulations in all its aspects and ramifications relating to securities, shares... and the role of banks, stock exchanges, financial institutions and public sector undertakings in transactions relating thereto, which have or may come to light." The JPC [joint parliamentary committee] was thus empowered to probe irregularities and fraud and bring them to light. Fraud does not occur by itself. It is perpetrated by persons. Implicit in this was the power to name the perpetrators of wrongdoing.

How very keen Parliament was on this aspect of individual culpability becomes apparent from the second term of reference which reads thus: "to fix responsibilities of the persons, institutions or authorities in respect of such transactions." Nothing could be clearer than this. To suggest that the JPC exceeded its jurisdiction is to speak without the book. It would have been guilty of dereliction of duty had it failed to carry out this explicit mandate.

Significantly, the inadequacies in control mechanism and the supervisory mechanism and recommendations for improvements in the system follow the first two on detection of fraud and identification of its perpetrators. This motion was adopted unanimously by both Houses; for, it represented an accord between the Opposition and the Government carefully drawn up after long parleys.

Thereby hangs a tale. The fairer course would have been to insist on the appointment of a Commission of Inquiry. But even by 1987 this mechanism had become discredited, thanks to the appointment of handpicked Judges to man them. In 1987, Mr V.P. Singh gave Parliament a graphic account of such an exercise to which he was witness in Rajiv Gandhi's office when Mr P. Shiv Shankar brought along a list of the desirables. The M.P. Thakkar Commission on Indira Gandhi's assassination, the Thakkar-S. Natarajan Commission on the Fairfax affair and the Ranganath Misra Commission on the Delhi riots of 1984 undermined public confidence in Commissions of Inquiry.

For this very reason, the Opposition demanded not a Commission of Inquiry, as it did invariably in the past, but a JPC on Bofors in 1987. Negotiations on agreed terms of reference broke down and the Opposition boycotted the body which lends added importance to the JPC on the banks scam. Even so, the JPC on Bofors was asked explicitly by Parliament "to ascertain the identity of the persons who received, and the purpose for which they received, payments of the following amounts ... from M/s Bofors (as referred to in the Report of the

Swedish National Audit Bureau, received by the Government of India on June 4, 1987)." The negotiations broke down on other issues such as the JPC's powers; not on pinpointing the culpability of individuals.

There is, in principle, no difference at all between accountability to a JPC or to a Commission of Inquiry. The latter is set up either by Parliament itself or by the Government responsible to Parliament and obliged by law to place the commission's report before Parliament.

INTEGRITY

The moral and political consequences of censure by either—the JPC or the Commission—is identical with an overriding proviso applicable to both; namely, integrity of the investigation. Which is why the censures of the Thakkar-Natarajan Commission and the conclusions of the Ranganath Misra Commission were treated with ridicule as, indeed, were the findings of the JPC on Bofors headed by the pliant Mr B. Shankaranand.

Indeed, it is precisely because in 1912 the Select Parliamentary Committee on the Marconi scandal, in which senior Ministers were involved, split on party lines that the Tribunals of Inquiry (Evidence) Act, 1921, was enacted. Our Commissions of Inquiry Act, 1952, is modelled on this statute. As the Salmon Commission on Tribunals of Inquiry recalled: "From the middle of the 17th century until 1921, the usual method of investigating events giving rise to public disquiet about the alleged misconduct of Ministers or other public servants was by a Select Parliamentary Committee or Commission of Inquiry." Its resume shows that the task was done mostly by the committee. Only in 1888 was the Special Commission Act enacted. Even so, probes by committee continued, as in the Marconi case.

On June 6, 1951, Nehru moved a motion in Parliament to set up a Special Committee of Parliament to investigate charges against H.G. Mudgal, an M.P. [Member of Parliament] It found him guilty and recommended his expulsion. He resigned, but the House recorded that he deserved expulsion.

RECKLESS

It is pointless for Mr Shukla to reel off figures and percentages of the JPC's Report which the Government accepted. The crux of the matter is that, as he admitted on August 2, the Government "does not accept" the JPC's findings on the two STMs (Scam-Tainted Ministers)—Mr B. Shankaranand and Mr Rameshwar Thakur. The JPC had criticized the "culture of non-accountability." The Government lived up to this culture. Earlier, on July 29, Mr Shukla had said: "As of now, no Minister is involved." But the man is notoriously reckless in his indifference to the truth and to values. Witness his categorical assertion on July 28 that it took five years to punish Nathuram Godse. In fact, he was convicted and sentenced to death on December 30, 1948, and executed on November 14, 1949. If Mr Shukla

can be so far wrong on so well-known and easily verifiable a fact, what trust are we to repose in his word on matters not easy to verify or in his opinions?

Speaking of integrity brings us to a man who has few peers in public life to possess this quality. Dr Manmohan Singh is universally respected as an honourable man. He was not personally involved and stands apart from the Rameshwar Thakurs and Shankaranands of this world. He is, doubtless, responsible constitutionally for the lapses of the Finance Ministry. But they do not add up to a case for his resignation. The ATR [expansion not given] drawn up by his Ministry was an affront to the JPC. The amends he offered were not adequate.

For, involved in the whole episode, is the principle of accountability. The JPC did its task honourably. One wishes one could say the same of the Narasimha Rao Government.

Pakistan

U.S. Implicated in Murder of MQM Finance Secretary

94AS0490D Karachi JANG in Urdu 10 Aug 94 p 1

[News Report: "Sardar Ahmed Assassinated for Working Against U.S. Interests"]

[Text] Karachi (Staff Reporter)—Afaq Ahmed, chairman of the MQM (Haqiqi), said that his organization's central finance secretary, Sardar Ahmed, was murdered because he worked against U.S. interests. The leaders and members of the Haqiqi group are the greatest barrier against U.S. anti-Pakistani activities. He said that the United States was using the groups that opposed the Haqiqi group for its despicable conspiracies against Pakistan's nuclear program and stability because Pakistan's nuclear power helped the whole Islamic world. The Jewish and Christian forces are scared of it. Afaq Ahmed claimed that U.S. ammunition and bullets were recovered after the armed attacks at the residence of Imtiaz Koti, Maler Sector's finance secretary, a few days ago and after terrorist activity. He said that the friendly and sympathetic attitude of our government toward the terrorists who play with human life and our nation's security is an issue of grave concern. He said that the international human rights organizations are running the most unfair and unjust court system in the world and are willing to do any thing to help Altaf Hussein. He addressed the chief of army staff and said that a huge amount of public money was spent on Operation Cleanup, however, neither the terrorists were arrested nor were the weapons seized. The life and property of patriotic citizens is still unprotected because of this failure. Therefore, it will be better to recall the army so that it is not stigmatized and the patriotic people can make their own arrangements to deal with the traitors and terrorists. Afaq Ahmed appealed to Mohajirs and other workers to remain peaceful for now and said that Sardar Ahmed's death was an extremely sad event,

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however, we should not do anything that might help the anti-national elements. He said that the workers should go visit the transportation companies and traders and ask them to start up transportation and open their businesses so that Karachi's economy is not hurt.

U.S. Role in Weapon Sales Criticized

94AS0490C Karachi JANG in Urdu 17 Aug 94 p 1

[Editorial: "U.S. Double Standards"]

[Text] The U.S. announcement to give 15 additional F-16 airplanes to Israel shows its double standards and unfair policies. The United States gave 10 F-16s to Israel a few months ago. The above-stated actions of the United States prove that it has its own specific interests and ideas about human rights, nuclear programs, and regional stability. If a country breaks all the rules but U.S. interests are tied to it, the United States will provide it with even the most dangerous jet fighters. The United States remembers all the international laws and restrictions when dealing with a country it has no interest in. During the Soviet aggression in Afghanistan, the United States was with Pakistan and the international community at every step. However, now that there is an even more serious situation in Kashmir, human rights are being violated there, and there are UN resolutions about this issue, the United States chooses to ignore it and is putting Pakistan on the list of terrorist nations and putting unfair pressure on us over our peaceful nuclear program. Even worse! It has even suspended the supply of F-16 airplanes, the price of which Pakistan is paying. The United States is a champion of human rights, democracy, and autonomy; however, it remembers these principles only when it has vested interests. Otherwise, even when thousands of person are killed and regional security is threatened, the U.S. government does not feel any guilt while supporting the aggressor nations. If the United States believes that it can establish lasting peace in the world despite its unfair and biased role, it should give up this delusion.

Government Urged to Sue U.S. Over F-16s

94AS0491C Karachi JASARAT in Urdu 19 Aug p 11

[Article by Prof. Shamim Akhtar: "Supply F-16s or Return Money"]

[Text] The United States should either supply F-16 airplanes to Pakistan or return the money we have paid in advance. Pakistan's president and the foreign minister have told the United States clearly that the deal over these airplanes was not political, but business. Therefore, it cannot be tied to politics. Prime Minister Benazir Bhutto also said this during the opening ceremony of Mangla Power Project Unit on 10 August. At the same time, she clarified the fact that the U.S.-Pakistan friendship will not be effected despite this dispute over these planes because it is essential for our regional and international peace. It appears that the government has given

up on receiving these airplanes and is demanding return of the money paid in advance. Mike McCurry, spokesman for the U.S. State Department said, "Until now it was our impression that Pakistan was interested in getting these airplanes and not getting the money back. We have to review this based on Pakistani government's stand of 10 August. If Pakistan is willing to close the deal on these planes according to U.S. laws the money that it should get will be paid to it." The U.S. spokesman's statement is based on wickedness and dishonesty. He did not clarify what the U.S. laws say. Will this amount be returned to Pakistan with interest as is the rule of the open market which the United States wants to spread all over the world? Or will it return only the principal paid in advance? The latter would be totally unfair because the then-government had paid this amount to Lockheed Corporation at the time of the agreement in 1987. Of course, the value of this amount has been considerably reduced during the last seven years because of inflation. Thus, if Pakistan purchases airplanes with that amount, it will not be able to buy 38 airplanes. Actually, this agreement was made with the Lockheed company and it was not related to Pakistan's nuclear weapon program. Since this condition was not included in the agreement, the United States cannot use the Pressler amendment to nullify this agreement. Since this dispute is about breaking up an agreement from one side, the United States is guilty under the Law of Contracts. It should repay the principal along with interest and penalty to make Pakistan's losses good. If the United States does not agree, Pakistan should sue the United States government and the Lockheed Corporation in an American court. This will remove the illusion about the loud claims the United States makes about its independent court system. The whole world will witness how a rich nation devoured the earnings of "blood and sweat" of a poor nation. It should be remembered that the United States had commandeered one billion dollars that the late Shah of Iran had paid for purchasing weapons. It has neither provided the weapons nor is willing to return the money. Instead, it has imposed economic restrictions on Iran and is forcing Arab nations to end their boycott of Israel before it [Israel] leaves their land. Similarly, the United States has also frozen Iraqi assets and is not willing to free them. Therefore, the United States is an oppressor nation from the perspective of international law and morality. Who would deal with such a nation that not only refuses to supply the purchased item but also refuses to return the money paid in advance? The United States calls itself a trader nation. In what kind of international market are such deals made? What kind of respect will such a trader have in the market?

The affected countries should get every penny from the United States. If the U.S. court under pressure from the U.S. government does not decide that the advance paid for 38 planes by Pakistan should be refunded, Pakistan should approach the International Court of Justice [ICJ]. Unfortunately, this court is not permitted to hear cases

until both parties request it following their mutual agreement. However, a party can request the international court for an opinion. Iran had finally requested the international court for returning its frozen assets. Similarly, [South Africa's] former racist government in Pretoria had taken over Libya and a case was filed in this court. Initially, the international court had dismissed the Libyan case over a technicality. However, international opinion against the Pretorian government had become so strong that four or five years later the international court declared Pretoria's occupation of Libya oppressive and illegal. Therefore, Pakistan does not have to beg the United States for returning the money. It was learned that Pakistan's government has decided to strengthen its air defense because of the danger from Indian missile installations, and our prime minister is visiting Russia to negotiate purchase of MIG-29's and SUKOISU-27's.

This is a right decision, however, the government should keep in mind the fact that Russia is under U.S. pressure now, and the United States will hinder the airplane deal between Pakistan and Russia one way or the other. Its strategy will be to get Russia worried about Pakistan's sizeable nuclear program. We cannot ignore this dangerous possibility and Pakistan should look for an alternative source. It would be against good discretion to depend on one country for our defense and security. We had very bitter experience in the 1965 and 1971 wars when the United States and United Kingdom did not come to help Pakistan despite the military pacts with them. Not only this, they became our enemies and stopped supplying us spare parts. Will Pakistan, after being deceived several times, implement projects to develop science and technology to become self-dependent? Every government talks about becoming self-sufficient, however, they all need foreign aid. Whenever the U.S. government put bait on its hook, the Pakistani government rushed like a hungry fish and bit it. What kind of self-sufficiency is this?

Pakistan has no alternative but to become self-sufficient now. Actually, we should be thankful to the United States for taking away our crutches and giving us the opportunity to stand on our own feet with our own will power. However, just when Pakistan was learning to stand on its own feet, the United States gave the crutches back so that Pakistan remains a disabled country for good. This happened last April when Strobe Talbott visited Pakistan. Like a smooth-talking swindler, he convinced our government that if Pakistan agreed to have its nuclear installations inspected and gradually rollbacks its nuclear program then the United States would supply it the promised 38 F-16 airplanes. The government was duped by him and after issuing a joint communique, had its hands and feet tied. At that time, former care-taker prime minister of Pakistan, Mueen Qureshi, congratulated Pakistan for closing its nuclear program. Our foreign minister started to make various excuses for getting our nuclear program inspected. He said that the United States has technology that can find out details of our nuclear program without any physical examination. In other words, the United

States has divine knowledge and can learn about our factories as well as what we are thinking. On the basis of his faith in U.S. divine knowledge, he has the delusion that the United States will not send its own and international experts to inspect the Kahuta plant, and will find out everything through its supernatural equipment. However, the recent statements issued by the U.S. Department of State indicate that it still insists on inspecting Pakistan's nuclear installations to assure itself that Pakistan has sealed its nuclear program. The U.S. Ambassador in New Delhi, Frank Wisner, flatly said in New Delhi on 19 August that F-16s will not be supplied to Pakistan. In order to make India happy, the U.S. ambassador said in his interview to THE TIMES OF INDIA that the United States prefers bilateral talks instead of multinational talks over Kashmir. This stand is against the Shimla Agreement, it also allows this route in addition to holding bilateral talks.

If India and Pakistan cannot resolve this issue through bilateral talks and these become prolonged, they are to find another alternative and it is the duty of the international community to pressure the two parties for the sake of regional peace. It appears that the United States is not willing to do so. David Johnson, one of the many U.S. spokesmen, said in New Delhi on 19 August that the U.S. deputy secretary of state had promised to supply the F-16s on condition that Pakistan would rollback its nuclear program. McCurry expressed this opinion in a round about way on 10 August and hinted that this issue is not closed yet and negotiations between the parties is going on. If Pakistan can remove the U.S. concern about its nuclear program then F-16s can be supplied. He also said that negotiations on how to supply these planes were also going on with Pakistan.

We can conclude the following from these facts:

1. Pakistan is dragging its feet in getting its nuclear installations inspected because it is worried about people's opinion.
2. It has given up on getting these planes and is negotiating with the United States to get its money back.
3. Pakistan is also investigating the airplane market in Russia, China, and other weapon markets

This is a temporary solution of the problem; it will not resolve the issue itself. The nuclear program is essential for Pakistan's existence and for peace and security in South Asia. It is not true that it will increase the danger of war; instead the threat of war will be reduced. When India learns that Pakistan can retaliate and cause unbearable losses, it will be forced to negotiate more realistically. When Russia became a nuclear power, the United States started to talk to it in more understanding manner resulting in important agreements to control weapons between the two countries. Russia used to consider China a nobody before it became a nuclear power. Now Russia is ready to talk to it to discuss the

4500 mile long disputed border. China and India have started negotiations after 15 years and it should be known that both of them have not fought since they acquired nuclear weapons. They had a bloody war in 1962 when they did not have nuclear weapons. Similarly, when Pakistan will have its own nuclear arsenal, India will talk to it with respect. In addition, one year's cost for nuclear development is less than one F-16! Why are we delaying this program?

Reevaluation of Relations With U.S. Urged

94AS0493A Karachi AKHBAR-E-JEHAN in Urdu
14 Aug 94 p 8

[Article by Azim M. Mian: "Letter from the United States"]

[Excerpts] The U.S. ambassador to Pakistan, John Monjo, met with Prime Minister Benazir Bhutto on 31 July; according to government sources, topics of mutual interest were discussed at the meeting. Meanwhile, minister of state for the treasury, Makhdoun Shahabuddin, presented a budget reflecting the recommendations and wishes of the IMF and World Bank after which he left for a visit to Washington and has now returned. He participated in meetings held in Washington during which topics of "mutual interest" were discussed; he was told in plain terms that because of the Pressler amendment, the U. S. administration will not be able to give any aid to Pakistan; that even though the recommendations of international financial institutions had been put into effect [in Pakistan], there was no possibility of the restoration of American aid. In her address to Pakistanis in Chicago on 25 July, Pakistan's ambassador to the U.S., Maliha Lodhi, referred to the problems created in Pak-American relations by the Pressler amendment and confirmed the fact that as long as the amendment was in force, there was no possibility of any progress in improving Pak-U.S. relations. She called the Pressler amendment one-sided discrimination against Pakistan and a veto placed in India's hands; nevertheless she appeared hopeful that a number of influential Americans now realized the true nature and the detrimental effects of this discriminatory law. The Pakistani ambassador, however, did not express any hope that the amendment would be altered or abrogated. Prime Minister Benazir Bhutto would like to pay an official visit to the U.S. at the earliest opportunity but the difficulties created by the Pressler amendment have prevented her undertaking such a journey. [She knows] that she will hear the usual answer from the Americans that the U.S. is a country of laws and under its democratic system, personal likes and dislikes and wishes were subject to the rule of law. [passage omitted on Bhutto's Plans]

As matters stand, however, because of the world situation, American interests in South Asia and the Pressler amendment, Pak-U.S. relations have reached a cul-de-sac and there is no possibility of any improvement unless the wall of the Pressler amendment is torn down. At the present time, the U. S. sees no immediate need to

tear down this impediment and that is why the Clinton administration, gauging the mood of the majority in the Congress, has abandoned its efforts to obtain a one-time provisional exception to the Pressler amendment. In short, the Pressler amendment is in full force and there is no possibility that the problems created by it will be solved as long as American demands on the nuclear issue are not fully accepted and carried out. Some individuals ask this question: if, after U.S. demands are accepted and that country still maintains that its hands are tied by the law, what option would be left for Pakistan? There have been numerous ups and downs in Pak-American relations in the last 45 years; because of India's support for the Soviet Union and the policy of pleasing America followed by every Pakistani ruler, there have been moments of warmth, closeness and cooperation between the two countries. Pakistan has received concessions in exchange for the concessions it gave; however, after the one-sided tilt in the balance of world power, international priorities and the Pressler amendment, all legitimate questions and justified arguments will now be answered by the U.S. with the single sentence that its hands are tied by the law.

During the Afghan war when cooperation between the U.S. and Pakistan was at its height, and during the Republican administration of President Reagan, when the Pressler amendment named after a Republican senator was to be presented to the American Congress, the Pakistan government of the time was asked for its views on the matter. When I interviewed president Leghari in New York in May, a high official of the foreign ministry confirmed during this lengthy interview that the Americans had "informed" the government of Pakistan when the Pressler amendment was being passed. Records show that the government of General Zia had not protested against this U.S. law, it had not made any alternative suggestions nor had it made any effort to show that the law was discriminatory and inimical to Pakistan; on the contrary, the front line country on the Afghanistan issue, Pakistan, had strengthened its cooperation with the U. S. Now, when there is only one super power, the people of Pakistan are suffering the effects of this lack of foresight on the part of the Pakistani government of that time.

Pakistan's leadership should always keep in mind that even if the individuals occupying the White House, the State Department and the Pentagon should feel sympathy for Pakistan and respect for principle, as long as the House and the Senate do not amend or abrogate the Pressler amendment, that law will remain in force and no American administration will be able to make a move in the face of the restrictions imposed by the law. The fact remains that since the passing of the Pressler amendment, millions of dollars have been paid to American lobbyists from Pakistan's government treasury, but even after such huge expenditures, U.S. aid has not been restored nor has the Pressler amendment been abrogated. In fact, a poll of the members of the U.S. Congress would show that the number of Pakistan's supporters has decreased and it is our own carelessness, ignorance of the

system and wrong policy which are to be blamed for this situation. As things stand in the present Congress, there is no support for ending the Pressler amendment. The Clinton agenda includes items of greater importance than the repeal of the Pressler amendment. Clinton has to gain the Congress's approval for his health reform bill and other domestic and foreign issues and the outcome of these matters will show the extent of his success or failure. The Clinton administration is thus in no position to exert pressure on the Congress for the repeal of the Pressler amendment and, furthermore, it will not risk losing votes on other domestic and foreign issues by exerting any such pressure. The Israeli and Indian lobbies have established strong roots in the American political system especially in Congress.

This, then, is how matters stand in regard to Pak-American relations and no matter what "silent" or "public" diplomacy is used, there does not appear to be any hope of change or quick solution nor do the American administration or Congress show any desire for a quick change. Not only has Pakistan with its meagre resources not received a single dollar in aid but it has spent several millions of dollars on lobbying for the restoration of aid; Pakistan has also paid millions of dollars to the U.S. for the purchase of F-16 planes and continues to make payments without any sign of improvement in the situation.

In the present difficult situation when U.S. interest in Pakistan has waned and India, the former supporter of the Soviet Union, has now gained U.S. cooperation and priority in South Asia, what course of action should Pakistan adopt which would preserve its interests and existence, allow it to survive the difficult times of the rule of the single super power, wait for future changes and at the same time gain some benefit from its importance and position? It is fortunate for Pakistan that whereas Pak-American relations have developed problems, certain factors and realities exist in South Asia and the Far East which Pakistan can use in a desirable fashion not only to strengthen its position but also to become a strong and inseparable part of the realities emerging in the future and thus force foreign powers to take an interest in Pakistan's survival and safety.

The incontrovertible fact is that in the next two decades, China and Japan will emerge as the two powers in the region. In spite of the billions of dollars of American investment in India and the far-sighted economic and financial policies of the Indian Sikh minister [Finance Minister Manmohan Singh] of the exchequer, and in spite of its economic progress, India will not become an effective answer to economic cooperation between China and Japan. An obvious proof of this fact is the several billion dollars which the Americans and Europeans have invested and continue to invest in China and Japan. China and Japan have put the bitter experiences of their history behind them and are making decisions to meet the exigencies and interests of the present and the future. China's vast area, natural resources and manpower are intensely attractive to Japan. The super power

U.S. is several dollars in debt to Japan in the balance of payments. The highly progressive Japan, formed of several islands, needs land, natural resources and manpower to expand its industrial base whereas China needs technology and industries. Their mutual interests, geographical nearness and world realities have persuaded China and Japan to cooperate and their cooperation will have its effect on the Far East, South Asia and even the Middle East. It is obvious that India is scaring the U.S. by presenting these realities as dangers and this is the secret of India's success. Those who keep an eye on the factors and reasons for the failure of the recent trade talks between the U.S. and Japan and who are well aware of the consequences of the results of this failure and Japan's favorable trade balance of several billion of dollars know well what the realities are. It is also necessary to view American demands and pressure on Japan in regard to trade in the light of cooperation between China and Japan.

In view of the situation, Pakistan's leadership should stop banging its head against the wall of the Pressler amendment and accept the reality that relations between Pakistan and the U.S. have reached a cul-de-sac and for the present, there is no possibility of any improvement. At any rate, in view of the American domestic situation, there is no possibility of any economic aid which does not return an economic benefit to the U.S. The record of how Kissinger reached China by way of Pakistan and how Pakistan helped the U.S. in the Afghan war has been played too often and has lost its efficacy and benefit. Instead of living in the past, it is necessary to face the present realities and think of the nation's future. Without exacerbating antagonism toward the U.S. and entangling with our eternal enemy India, we should try to follow a policy of becoming a part of the Japan-China cooperation. Malaysia and some other countries of the Far East have taken advantage of geographical nearness to make substantial progress whereas we have sacrificed everything to our desire for improving relations with far distant countries and have not made much headway. It is fortunate that we do not have any territorial or economic quarrels with Japan; however, we have failed to derive any benefit from the fact that we are the guardians of the historical past of Buddhism nor have we promoted Japanese interest in this area through tourism and cultural [exchange?]. Japan is seeking markets in Central Asia and, because of cooperation with China, the closest markets for industrial goods are the countries of Central Asia which are technologically self-sufficient but depend on other countries for consumer goods.

We have historical ties with China and over the last three decades, Pakistan has, on many occasions, sacrificed its own interests in the regional and international arenas for the sake of China. China, on its part, has stood by Pakistan. One has, however, to face the bitter reality that while Pakistan's leaders talk of friendship with China, in practice we have tried to please others in the last few years by failing to accord China the importance and treatment which it deserved and which are demanded by our own

national interests. China is an undeniable reality of the region and to ignore it or attach little importance to it only increases our own problems. We will have to face the reality that Chinese leaders such as Mao Tse Tung, Zhou Enlai and others who felt an emotional nearness to Pakistan are no longer alive and the new leadership and the new Chinese generation are changing their policy and attitude according to the changing conditions. This fact cannot be ignored by resorting to emotional appeals to historical events and relations. The Chinese have certain justifiable complaints about Pakistan's behaviour but they are not the kind of people who complain; they even answer President Clinton's demands and threats with meaningful Chinese aphorisms. The farsighted and cautious leaders of China are busy fashioning regional policies with an eye to their future world role; a good example is China's relations with India. Pakistan should understand the realities of the region and start once again to act on a policy of maintaining deep relations and cooperation with China. Since Pakistan does not have much to offer China in the way of raw materials, manpower and facilities, it should consider other avenues. When the Afghan [civil] war ends, such factors as the land route to the markets of Central Asia, transportation facilities, diplomatic cooperation with China in the world arena and Pakistan's limited market for consumer goods will prove attractive to China. At any rate, Indian intentions and preparations and American patronage of India have created a situation which makes the Chinese leadership realize the importance of Pakistan and their need for it. At the same time, Pakistan should also step forward and assure China of its friendship and reliability. Those who fashion Pakistan's policies should stop chasing after world diplomacy and U. S. approval and make bold decisions, otherwise we will gradually lose our regional importance. We should attune ourselves to the realities of the region and focus our attention on them. When economic and industrial prosperity comes to South Asia and the Far East, as a part and parcel of the region we will also share in this prosperity and then the world's doubts about our survival will vanish. We will be regarded as a prosperous nation and other nations will accept positively the need for our survival and our importance. Bold decisions, policies and actions are called for at the present time. Instead of remaining in a state of confusion, we should follow the dictates of our needs, status and importance by becoming a part of Sino-Japanese cooperation and actively pursue a realistic foreign and domestic policy which would compensate for the losses occasioned by the Pressler amendment.

Citizens Urged To View U.S. With Alarm, Not Longing

94AS0490F Karachi JANG in Urdu 24 Aug 94 p 3

[Article by Nasrullah Khan: "America is All Around Us"]

[Text] [Here is] some news about the United States asking Pakistanis to apply for a lottery for U.S. visas. It was said that 15 million Pakistanis had applied for these visas. If this lottery was announced through television

and radio, instead of 15 million [applicants] the whole population of 120 million would have been ready to go to the United States. I do not understand this. There is America itself and there is a more potent America present in Pakistan! Who, then, are the Pakistanis that are being given this opportunity to settle in America? Is it possible that this opportunity is being provided to those who throw hurdles in the path of the government so that they can practice opposition in the United States instead of in Pakistan. Anyhow, all this is beyond my comprehension.

The United States had proved by dropping nuclear bombs on two well-settled Japanese cities 48 years ago that it would do anything that other countries would not. When the United States felt that brawn is more powerful than brain and politics of might is right, it decided to vanquish the whole world. It started to stockpile atomic bombs that had destroyed Hiroshima and Nagasaki and decided to threaten the nations that refused to become its colonies that they should learn lesson from what happened to Hiroshima and Nagasaki.

All countries have the freedom to make nuclear bombs; restriction is only for Muslim nations. They are not allowed to make atomic bombs because the United States and Western nations fear that if an Islamic nation makes bombs then, as India puts it, it would be an Islamic bomb. The explosion of this bomb will destroy temples in India, its so-called secularism, and all the churches in Western nations. China has a large supply of atomic bombs and India has an even larger stock. Pakistan, which does not even have atomic fire crackers, is between these two countries. India still insists that if Pakistan does not have an atomic bomb, it might be able to make one soon. Therefore, it is necessary to blow up its nuclear installations so that "there is neither the bamboo nor the flute."

As for Russia, the United States has forced its position down to Pakistan's level. The number of its nuclear weapons have been reduced considerably. The U.S. puppet, Yeltsin, has allowed U.S. secret agents to come in and help him in order to crush socialism in the states that were once part of the former Soviet Union. The United States has in one hand the noose that controls Yeltsin and in the other hand it holds the dangerous weapons and strategies to destroy socialists. The United States cannot understand that when a movement is forcibly crushed, it bounces back with equal force and every violent action results in retaliatory violent action.

Those who have returned after visiting Russia say that the day is not far when the United States will be stuck in a dilemma over the former Soviet Union. It will lose whether it leaves Russia or remains there. It has so much faith in India that it is making India its agent in South Asia. We would like to advise it not to trust these treacherous people. They will sell their own soul. The United States thinks that if it made India stronger than China, it can at least control China. The United States

had tried this in the past also. However, China sent ashes of Indian soldiers vacuum packed in cans with proper respect to India. The remaining Indian soldiers retreated "with their legs on their shoulders." Why should India buy the danger of entangling with China? India does not need U.S. indulgence or aid. It has stockpiled so many weapons that it does not need any more. As for its economic improvement, the United States has used its friend and enemy nations just to improve its own economy. A while ago, Pakistan was also a country to be jealous of. When the United States became kind to us, we had to replace industrial progress with a feudal landlord system, which was gradually replaced by bureaucracy. We have been forced to take the beggar's bowl in our hands. This charity is given to us on interest and we are considering this interest payment our progress! How can factories run in a country where the water supply and electricity system are disorganized? A few years ago a friend visited India and told us that the people in India are dying of hunger and are jealous of Pakistan. However, when he visited again recently, he told us that the situation has reversed and it is we who are dying of hunger. Ayub Khan was a military dictator, however, industry in Pakistan made considerable progress during his rule. There was no unemployment in our country. It was followed by the feudal landlord system and nationalization and whole power was given to the bureaucracy. Thus, the bureaucrats became rich like landlords. Well, these are the affairs of those who are in power, what can we do? These are political aspects and the poor commoners cannot understand them. It is possible that an average citizen with elementary education can become a member of parliament or Senate. However, he does not have the money required to win an election. Then, the average citizen is honest, and honesty has no place in politics. He cannot curse either. All he can do is pray for the souls of the people who have sacrificed their lives for this nation.

Central Asian States Offering Fighter Jets

94AS0490B Karachi JANG in Urdu 20 Aug 94 p 1

[News Report: "Central Asian Nations Offer Fighter Jets to Pakistan"]

[Text] Islamabad (JANG Correspondent)—The French company that makes Mirage-2000 fighter jets has informed the Pakistan Air Force [PAF] that it will not be able to supply the first Mirage-2000 plane before 1998 even if the order is placed this year. According to our source, the type of plane Pakistan has ordered has already been booked by Taiwan and Taiwan will not receive its first plane until 1996. The source also revealed that the PAF officials find this schedule for delivery of planes unacceptable and are focusing on the Russian made MIG-29 and SU-27 planes. A deputation of Russian experts will visit Pakistan soon to discuss this. According to some Pakistani officials, some Central Asian countries have assured them that they have such planes ready for delivery. These planes can be delivered

to Pakistan immediately when agreement on payments and technical issues is made. A senior PAF official told JANG that Pakistan will make some deal to acquire fighter planes to fill the vacuum created by the United States failure to supply the F-16 planes.

Murtaza Bhutto Declares Nuclear Weapons Necessary

94AS0491B Karachi JASARAT in Urdu 10 Aug 94 p 10

[News Report: "The Country is in Danger Without an Atomic Bomb—Murtaza Bhutto"]

[Text] Lahore (JASARAT Correspondent)—Mir Murtaza Bhutto said here today that Pakistan will not be in strong hands until we we make atomic bombs. "It is important to make nuclear weapons as soon as possible in order to protect ourselves from an enemy like India. However, our government's attitude about it is apologetic and President Leghari expressed this attitude during his so-called personal trip to the United States. Meanwhile India is firm at its stand." He was addressing a meeting on national defense in a local hotel. In response to a question asking him to name the leader in the Pakistan People's Party [PPP] who could talk firmly with the military and the bureaucracy, he said that Zulfikar Ali Bhutto used to be that and I [Murtaza] am the one now. He said that those who served as ministers during Zia's time are still our ministers. We are uniting the pro-Bhutto forces so that the anti-Bhutto elements are expelled from the party. In response to another question, Murtaza Bhutto said, "Pakistan needs submarines for its defense, but the government is more interested in the amount of commission instead of the quality of these submarines." He declared internal stability imperative for national security and said that states should be given more rights to enhance national unity. The sooner the problems between the states and the Center are resolved the better it would be. He said that another martial law would be very dangerous for our nation's security. Emphasizing the importance of nuclear capability, he said that "balance of terror" was necessary for national security so that the enemy would not dare to attack us.

Sharif Declares Nation Nuclear Weapons Ready

94AS0490E Karachi JANG in Urdu 24 Aug 94 p 1

[News Report: "Pakistan Has an Atomic Bomb; India Should Refrain From Attacking"]

[Text] Neelabut (Azad Kashmir) (JANG Correspondent)—Opposition leader Mohammed Nawaz Sharif has warned [Indian] Prime Minister Narasimha Rao that he should not even think about attacking Azad Kashmir, otherwise he would have to face Pakistan's atomic bomb. He said that he was willing to verify that Pakistan has atomic bombs, therefore, India should not turn a greedy look to Azad Kashmir. He expressed this opinion in Neelabut in a large meeting held to declare the "jihad for

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freedom day." He was the special guest at that meeting. Azad Kashmir's prime minister, Sardar Abdulqayum Khan, Raja Zaffaraul Haq, Aijazul Haq, and other leaders also addressed the meeting. Despite rain and bad weather, thousands of persons attended the meeting. Mohammed Nawaz Sharif said in his address that Neelabut was very important from the perspective of the Kashmiri jihad. If the movement to free Kashmir had not started from here, Islamabad would be in firing range of Indian troops now. He said that we should not pay any attention to the threatening statements issued by Indian leaders, and the jihad that has started must be brought to its culmination. He said that if he had had additional time in the office, Kashmir would have been freed during his tenure. "I was willing to provide all kind of cooperation to the government over Kashmir because of my commitment to Kashmir. The parliament elected Nawabzada Nasrullah Khan the chairman and all he does is to travel around." He strongly criticized Nawabzada Nasrullah Khan and Mualana Afzalur Rehman and said that the government gave millions of rupees to Jamaat-i-Islami [JI] for Kashmir's jihad. "The advertisements given in newspapers are correct. I had been quiet for some reasons, however, Kashmiris should know that we are committed to their campaign. Allah willing, Kashmir will be free one day. Benazir used to threaten me with cutting my tongue if I talked about Qazi Hussein Ahmed. Qazi Ahmed had played an important role in defeating me. I had fought the Pakistan People's Party [PPP] all alone in 1993 and only Sardar Qayum was with me. He is my friend and mentor and I respect him with all my heart. We did beat the PPP in 1993 and will beat it again." He said that Madam [Bhutto] was threatening to arrest Nawaz Sharif. The PPP and Benazir should go back from where they came. They are both made in France. They do not support Kashmir's jihad. "Those who are threatening us are crazy. We are not afraid of getting arrested. Sending a box of mangoes to Indian leaders was treachery against the people of Kashmir. The prime minister is practicing quiet diplomacy over Kashmir and is forcing the courts to do what she does not want to do herself. Her husband has imported horses worth millions of rupees from abroad at a time when our people lack even basic necessities." Referring to Narasimha Rao's threat, Nawaz Sharif said, "He should not think about attacking Azad Kashmir at all or he would have to face Pakistan's atomic bomb." Nawaz Sharif said, "Sardar Qayum was waiting for India to attack. I am telling him to initiate the attack against India and free Kashmir." Azad Kashmir's prime minister, Sardar Abdul Qayum Khan said in his speech that if India was interested in a war then it should be prepared to face 9 million Kashmiris. The Indian prime minister has threatened to vacate Azad Kashmir and we are waiting for the time when India will make the mistake of attacking Azad Kashmir. We will take care of their old and new mistakes. Not only men, but also the daughters of Kashmir, are trained to take up arms now." He demanded that Pakistan's government should declare its policy on Kashmir. We will offer our services

for Kashmir's freedom and our nation's safety and unity. Nawaz Sharif said that both Pakistan and India have nuclear bombs and there would be a devastating nuclear war if India attacks Pakistan.

Government Moves To Expel Foreigners With AIDS

94AS0490Z Karachi JANG in Urdu 16 Aug 94 p 3

[Editorial: "Action Against AIDS Infected Aliens"]

[Text] The minister of state for health announced that several effective steps have been taken to control the AIDS epidemic. All agencies involved in identifying AIDS patients and treating this disease have been alerted. A special checkpoint has been established to stop entry of AIDS patients into Pakistan. By the grace of Allah, Pakistan has been protected from AIDS and most of the cases here have been related to foreigners who were permitted to enter without any check-up. AIDS is a contagious disease and it spreads very fast. That is why strict actions to control AIDS are taken in other countries. It is unfortunate that we have practiced negligence in this area. Anyhow, the government's above-mentioned decision is correct. However, this should not be limited to foreigners. Instead, everyone returning from abroad should be checked. In addition, foreigners living in Pakistan or who have entered here illegally should be investigated immediately, because AIDS can be stopped only by taking such precautionary steps.

Education Said Continuing in 'Sorry State'

94AS0491A Karachi JANG in Urdu 1 Sep 94 p 3

[Editorial: "Pakistan's Schools—Prime Minister's Instructions"]

[Text] Most Pakistani educational institutions have been a victim of falling educational standards and lack of research because of political games, lack of discipline, student unrest, and teacher participation in politics. Those who keep an eye on educational institutions in our country have been expressing concern over it for a long time. The two oldest and largest universities in our country—Jamia Punjab and Jamia Karachi—have been especially involved in political games and the educational standards and research have been unsatisfactory for a long time. In this situation, it is a relief that Pakistan's prime minister has emphasized the need for making our universities centers of education and research in the real sense. She has instructed all universities in the country to take immediate action to improve educational standards. Her first instruction is to establish councils composed of parents and teachers and make these councils responsible for monitoring student activities. If a student is found to be involved in unprincipled or political activities, this council will not only inform the parents but also help the parents to take steps to alleviate the problem. The prime minister has also emphasized the need to establish student affairs organizations to help develop new activities. These organizations will encourage speech competitions, debates, and

other such activities. The prime minister has instructed that every needed step be taken to protect teachers' prestige and respect. If a student or group acts against teachers, strict action will be taken against them and they might be expelled from the university. The prime minister has also given detailed instructions for encouraging research, providing assistance to bright students, and improving educational standards. We believe that the prime minister's action is very timely and appropriate. Only the universities can provide educated and trained people to the nation. If the atmosphere is not conducive to learning and research in these institutions, these cannot prepare personnel needed by various departments. As a result, qualified personnel are not available for defense, health, education, and legal areas. Famous British statesman Winston Churchill had rightly said that the battles won by the British were because of the preparations made in educational institutions' playing fields. In other words, the educational institutions had provided better generals and admirals through their appropriate environments and strict discipline. In Pakistan, during the martial law regime when political activities and political parties were banned, political parties had paid special attention to establishing student wings in educational institutions and tried to establish wide support for their parties in universities. This strategy played an extraordinary role in making our universities an arena for political games. Student organization

received moral and material support from various political parties and when opposing political parties provided support to their student wings, the peace and harmony in universities was ruined. The effects of this are still being felt today. The curriculum and instruction in our universities is inappropriate and outdated. Required facilities were never provided to our universities because of inadequate educational budget. Laboratories in most universities are inadequately equipped and they lack needed resources. There are never enough teachers and they do not have access to resources necessary for instruction and research. The result of all these developments is that our universities are not producing high calibre graduates. The step that our prime minister is taking to alleviate this situation is in the right direction. However, the situation is so unsatisfactory that the federal minister will have to take many important steps on a continual basis. Only then can we expect our universities to produce the best trained human resources. We hope that the University Grants Commission, through which the prime minister has sent this message, will make sure that prime minister's directive is followed through. We need consistent monitoring and concerted efforts to raise the educational standards in our universities. We keep hoping that the prime minister's directive to improve the situation will prove a starting point and additional steps will be taken in the future.

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